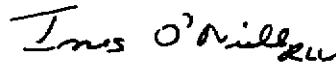


V. CONCLUSION.

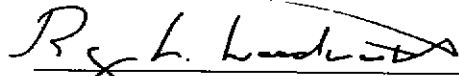
For the reasons stated above, the SLD's rejection of the above-referenced application should be reversed and the SLD directed to reinstate the application.

Respectfully submitted,

CONSORICO DE ESCUELAS Y
BIBLIOTECAS DE PUERTO RICO



Ines O'Neill
Executive Director, CEBPR
and Contact Representative
for the Applicant



Ramsey L. Woodworth
Edgar Class III
SHOOK, HARDY & BACON, LLP
600 14th St. N.W., Suite 800
Washington, DC 20005-2004
Tel: (202) 783-8400
Counsel for CEBPR

November 29, 2001

EXHIBIT 1
SLD/USAC DENIAL OF APPLICATION



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

(Funding Year 4: 07/01/2001 - 06/30/2002)

October 31, 2001

ACADEMIA ADVENTISTA DEL OESTE
Ines O'Neill
530 Ponce de Leon Avenue, The Atrium Office Center
San Juan, PR 00901-2304

Re: Form 471 Application Number: 228216
Funding Year 4: 07/01/2001 - 06/30/2002
Billed Entity Number: 157716

Thank you for your 2001-2002 E-rate application and for any assistance you provided throughout our review. We have completed review of your Form 471. This letter is to advise you of our decision(s).

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. We have reviewed each Discount Funding Request on your Form 471 application and have assigned a Funding Request Number (FRN) to each Block 5. The enclosed report includes a list of the FRNs from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) upon the filing of your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

NEXT STEPS

Once you have reviewed this letter and have determined that some or all of your request have been funded, your next step to facilitate receipt of discounts as featured in this letter will be to file an FCC Form 486 with the SLD. The Form 486 notifies the SLD to begin payment to your service provider and provides certified indication that your technology plan(s) has been approved. The Form 486 and instructions can be found on the SLD web site at <www.sl.universalservice.org> or you can call the SLD Client Service Bureau at 1-888-203-8100 and ask that the form be sent to you. The new Form 486, dated July 2001 in the lower right corner, MUST be used for Funding Year 4 and for any previous funding years. Subsequent submissions of earlier versions of the Form 486 will be returned to you and will not be able to be processed. As you complete Form 486, you should also contact your service provider to verify they have received notice from the SLD of your funding commitments. After the SLD processes your Form 486, we can begin processing invoices from your service provider(s) so they can be reimbursed for discounted services they have provided you.

On December 21, 2000, the Children's Internet Protection Act was signed into law. That law will require schools and libraries that receive Universal Service discounts for certain services to adopt an Internet safety policy incorporating the use of filtering or blocking technology on computers with Internet access as a condition of receiving those discounts. THE LAW DOES NOT, HOWEVER, REQUIRE THIS TO BE IN PLACE FOR FUNDING YEAR 4. RECIPIENTS WILL HAVE TO CERTIFY, HOWEVER, THAT THEY ARE UNDERTAKING SUCH ACTIONS, INCLUDING NECESSARY PROCUREMENT PROCEDURES, TO PUT SUCH TECHNOLOGY PROTECTION MEASURES IN PLACE. For Funding Year 4 (the Funding Year beginning July 1, 2001), Bill: Entities filing Form(s) 486 may encounter one or more situations that will affect their filing deadline(s). See the requirements for Funding Year 4 below and the Form 486

Instructions for more information on filing deadlines to ensure that your discounts can be paid retroactively to the Service Start Date. You are advised to keep proof of the date of mailing.

1. If Funding Year 4 services start on or before Sunday, October 28, 2001, and the date of your Funding Commitment Decision Letter is before Sunday, October 28, 2001, your Form 486 must be postmarked on or before October 28, 2001 in order for discounts to be paid retroactively to the Service Start Date. Failure to meet this certification deadline will result in reduced funding.
2. If your services start after October 28, 2001, your Form 486 must be postmarked no later than 120 days after the Service Start Date or 120 days after the date of the Funding Commitment Decision Letter, whichever is later, in order for discounts to be paid retroactively to the Service Start Date. Failure to meet this filing deadline will result in reduced funding.

You may also check the SLD web site at <www.sl.universalservice.org> or call the Client Service Bureau at 1-888-203-8100 for more information about how this new law might impact universal service discounts and any needed documentation for Funding Year 4 (July 1, 2001-June 30, 2002).

TO APPEAL THESE FUNDING COMMITMENT DECISIONS

If you wish to appeal the Funding Commitment Decision(s) (FCD) indicated in this letter your appeal must be made in writing and RECEIVED BY THE SCHOOLS AND LIBRARIES DIVISION (SLD) at the SLD address below WITHIN 30 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which FCD Letter you are appealing. Indicate the relevant funding year and the date of the Funding Commitment Decision Letter. Your letter of appeal must also include the applicant name, the Form 471 Application Number, and the Billed Entity Number from the top of your FCD Letter.
3. Identify the particular Funding Request Number (FRN) that is the subject of your appeal. When explaining your appeal, include the precise language or text from the Funding Commitment Decision Letter that is at the heart of your appeal. By pointing us to the exact words that give rise to your appeal, the SLD will be able to more readily understand and respond appropriately to your appeal. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an original authorized signature on your letter of appeal.

Please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Appeals submitted by fax, phone call, and e-mail CANNOT be processed.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC): FCC Office of the Secretary, 445-12th Street SW, Room TW-A325, Washington, DC 20554. If you are submitting your appeal to the FCC by other than United States Postal Services, the zip code you should use for this same address is 20024. If you are hand-delivering the appeal, check the SLD web site for more information. You should refer to CC Docket Nos. 96-45 and 97-21 on the first page of your appeal to the FCC. Your appeal must be made in writing and RECEIVED BY THE FCC at the FCC address above WITHIN 30 DAYS OF THE ABOVE DATE ON THIS LETTER. Failure to meet this requirement will result in automatic dismissal of your appeal. Further information regarding filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference area of the SLD web site <www.sl.universalservice.org>.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 Applicants who have received funding commitments continue to be subject to audits and other reviews that SLD or the Federal Communications Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not

limited to that by SLD, the Applicant, or Service Provider, and that the action or inaction was not in accordance with such requirements, SLD may be required to cancel these funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

We look forward to continuing our work with you on connecting our schools and libraries through advanced telecommunications services.

Sincerely,

Schools and Libraries Division
Universal Service Administrative Company

Enclosures

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each E-rate funding request from your application. We are providing the following definitions.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to Applicants and Service Providers the status of individual discount funding requests submitted on a Form 471.

FUNDING STATUS: Each FRN will have one of three definitions: "Funded," "Not Funded," or "As Yet Unfunded."

1. An FRN that is "Funded" will be approved at the level that SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds will be committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision," and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation." An FRN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funds in the Universal Service Fund was insufficient to fund all requests.
3. An FRN that is "As Yet Unfunded" reflects a temporary status that is assigned to an FRN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for internal connections at a particular discount level. For example, if your application included requests for discounts on both telecommunications services and internal connections, you might receive a letter with our funding commitment for your telecommunications funding requests and a message that your internal connections requests are "As Yet Unfunded." You would receive a subsequent letter(s) regarding the funding decision on your internal connections requests.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support programs. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on Form 471.

EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT: The first possible date of service for which the SLD will reimburse service providers for the discounts for the service.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a will be listed. This will appear only for "site specific" FRNs.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23, Column I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: This is the discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse service providers for the approved discounts for this service through June 30, 2002. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry may amplify the comments in the
"Funding Commitment Decision" area.

FUNDING COMMITMENT REPORT

Form 471 Application Number: 228216
Funding Request Number: 526329 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143012431 Service Provider Name: Puerto Rico Telephone Compar
Contract Number: T
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$6,480.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Insufficient documentation
Funding Commitment Decision Explanation: Applicant has not provided sufficient
documentation to determine the eligibility of this item.

Funding Request Number: 660253 Funding Status: Not Funded
Services Ordered: Internal Connections
SPIN: 143006644 Service Provider Name: Hispanic Information & Tele
Contract Number: N/A
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$13,850.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: Associated Form 470 contains service
provider contact information. Competitive bidding violation occurs when SP
associated with Form 470 participates in competitive bidding process as a bidder.

Funding Request Number: 660276 Funding Status: Not Funded
Services Ordered: Internal Connections
SPIN: 143006644 Service Provider Name: Hispanic Information & Tele
Contract Number: N/A
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$29,950.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: Associated Form 470 contains service
provider contact information. Competitive bidding violation occurs when SP
associated with Form 470 participates in competitive bidding process as a bidder.

Funding Request Number: 660294 Funding Status: Not Funded
Services Ordered: Internet Access
SPIN: 143006644 Service Provider Name: Hispanic Information & Tele
Contract Number: N/A
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$49,200.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: Associated Form 470 contains service
provider contact information. Competitive bidding violation occurs when SP
associated with Form 470 participates in competitive bidding process as a bidder.

FUNDING COMMITMENT REPORT

Form 471 Application Number: 228216
Funding Request Number: 660315 Funding Status: Not Funded
Services Ordered: Internet Access
SPIN: 143006644 Service Provider Name: Hispanic Information & Telec
Contract Number: N/A
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$13,050.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: Associated Form 470 contains service
provider contact information. Competitive bidding violation occurs when SP
associated with Form 470 participates in competitive bidding process as a bidder.

Funding Request Number: 660325 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143006644 Service Provider Name: Hispanic Information & Telec
Contract Number: N/A
Billing Account Number: N/A
Earliest Possible Effective Date of Discount: 07/01/2001
Contract Expiration Date: 06/30/2002
Site Identifier: 157716
Pre-Discount Amount: \$11,400.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Bidding Violation
Funding Commitment Decision Explanation: Associated Form 470 contains service
provider contact information. Competitive bidding violation occurs when SP
associated with Form 470 participates in competitive bidding process as a bidder.

EXHIBIT 2
FCC FORM 470

FCC Form

Approval by OMB
3060-0806**470**

Schools and Libraries Universal Service Description of Services Requested and Certification Form

Estimated Average Burden Hours Per Response: 5.0 hours

This form is designed to help you describe the eligible telecommunications-related services you seek so that this data can be posted on the Fund Administrator website and interested service providers can identify you as a potential customer and compete to serve you.

Please read instructions before completing.

(To be completed by entity that will negotiate with providers.)

Block 1: Applicant Address and Identifications

(School, library, or consortium desiring Universal Service funding.)

Form 470 Application Number: 640750000310896

Applicant's Form Identifier: CEBPR-1

Application Status: CERTIFIED

Posting Date: 11/17/2000

Allowable Contract Date: 12/15/2000

Certification Received Date: 11/27/2000

1. Name of Applicant:

PUERTO RICO CONSORTIUM OF SCHOOLS, LIBRARIES AND HEALTH

2. Funding Year:

07/01/2001 - 06/30/2002

3. Your Entity Number

157691

4. Applicant's Street Address, P.O.Box, or Route Number**a. Street**

The Atrium Office Center 530 Ponce de Leon Avenue

City

San Juan

State

PR

Zip Code 5Digit

00901

Zip Code 4Digit

2304

b. Telephone number

ext.

(787) 501- 5663

c. Fax number

(787) 289- 8779

d. E-mail Address

cebpr@hitn.net

5. Type Of Applicant (Check only one box)

☐ Library (including library system, library branch, or library consortium applying as a library)

☐ Individual School (individual public or non-public school)

☐ School District (LEA; public or non-public [e.g., diocesan] local district representing multiple schools)

☒ Consortium (intermediate service agencies, states, state networks, special consortia)

6a. Contact Person's Name: Moises Velasquez/Ines M. O'Neill

6b. Street Address, P.O.Box, or Route Number (if different from Item 4)			
The Atrium Office Center 530 Ponce de Leon Avenue			
City	State	Zip Code 5Digit	Zip Code 4Digit
San Juan	PR	00901	2304
6c. Telephone Number (10 digits + ext.) (787) 501- 5663			
6d. Fax Number (10 digits) (787) 289- 8779			
6e. E-mail Address (50 characters max.) cebpr@hitn.net			

Block 2: Summary Description of Needs or Services Requested

7 This Form 470 describes (check all that apply):
a. <input checked="" type="checkbox"/> Tariffed services - telecommunications services, purchased at regulated prices, for which the applicant has no signed, written contract. A new Form 470 must be filed for tariffed services for each funding year.
b. <input checked="" type="checkbox"/> Month-to-month services for which the applicant has no signed, written contract. A new Form 470 must be filed for these services for each funding year.
c. <input checked="" type="checkbox"/> Services for which a new written contract is sought for the funding year in Item 2.
d. <input type="checkbox"/> A multi-year contract signed on or before 7/10/97 but for which no Form 470 has been filed in a previous program year.
NOTE: Services that are covered by a <u>qualified contract</u> for all or part of the funding year in Item 2 do NOT require filing of Form 470. A qualified contract is a signed, written contract executed pursuant to posting a Form 470 in a previous program year OR a contract signed on/before 7/10/97 and reported on a Form 470 in a previous year as an existing contract.

8 <input checked="" type="checkbox"/> Telecommunications Services
Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?
a. <input type="checkbox"/> YES, I have an RFP. Choose one of the following: It is available on the Web at _____ or via <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 11.
b. <input checked="" type="checkbox"/> NO, I do not have an RFP for these services.
If you answered NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Telecommunications Services, and remember that only common carrier telecommunications companies can provide these services under the universal service support mechanism. Add additional lines if needed.

Service or Function:	Quantity and/or Capacity:
Satellite Service	All Schools and Libraries Members
PCS Service	All Schools and Libraries Members
High Capacity Service	All Schools and Libraries Members
Interactive TV	All Schools and Libraries Members
Cellular Service	All Schools and Libraries Members
Distance Learning	All Schools and Libraries Members
Homework Hotline Service	All Schools and Libraries Members
Local and Long Distance Service & Charge	All Schools and Libraries Members
CENTREX	All Schools and Libraries Members

LAN Interconnect Service	All Schools and Libraries Members
Local Loop	All Schools and Libraries Members
Media Converter	All Schools and Libraries Members
Satellite Dishes	All Schools and Libraries Members
Video Services	All Schools and Libraries Members

9 ☒ Internet Access

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ☐ YES, I have an RFP. Choose one of the following: It is available on the Web at
or via ☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ☒ NO, I do not have an RFP for these services.

If you answered NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internet Access Services. Add additional lines if needed.

Service or Function:	Quantity and/or Capacity:
Satellite Service to Internet	All Schools and Libraries Members
E-Mail	All Schools and Libraries Members
Bundle Access	All Schools and Libraries Members
Domain Name Registration	All Schools and Libraries Members
System Improvements and Upgrades	All Schools and Libraries Members

10 ☒ Internal Connections

Do you have a Request for Proposal (RFP) that specifies the services you are seeking ?

a ☐ YES, I have an RFP. Choose one of the following: It is available on the Web at
or via ☐ the Contact Person in Item 6 or ☐ the contact listed in Item 11.

b ☒ NO, I do not have an RFP for these services.

If you answered NO, you must list below the Internal Connections Services you seek. Specify each service or function (e.g., local area network) and quantity and/or capacity (e.g., connecting 10 rooms and 300 computers at 56Kbps or better). See the Eligible Services List at www.sl.universalservice.org for examples of eligible Internal Connections Services. Add additional lines if needed.

Service or Function:	Quantity and/or Capacity:
CAT. 5 Wiring or Wireless Servers	All Schools and Libraries Members
Hubs and other Network equipment	All Schools and Libraries Members
Back-up Power Supply	All Schools and Libraries Members
Battery Back-up	All Schools and Libraries Members
Battery Module	All Schools and Libraries Members
Cabinet Mounted Power Strips	All Schools and Libraries Members
Antenna	All Schools and Libraries Members
Line Sharing Device	All Schools and Libraries Members
Programming Charges	All Schools and Libraries Members
Satellite Dishes	All Schools and Libraries Members
Servers	All Schools and Libraries Members
Power Poles	All Schools and Libraries Members
UPS	All Schools and Libraries Members

UPS Interface Extenders	All Schools and Libraries Members
Hard Drive Array Control	All Schools and Libraries Members
RAID	All Schools and Libraries Members
Console	All Schools and Libraries Members
PBX Centrex	All Schools and Libraries Members
Switches	All Schools and Libraries Members

11 (Optional) Please name the person on your staff or project who can provide additional technical details or answer specific questions from service providers about the services you are seeking. This need not be the contact person listed in Item 6 nor the signer of this form.

Name:

Gloria Bermudez

Title:

Coordinadora

Telephone number (10 digits + ext.)

(212) 966 - 5660

Fax number

(212) 966 - 5725

E-mail Address (50 characters max.)

gloriab@hitn.org

12. ☐ Check here if there are any restrictions imposed by state or local laws or regulations on how or when providers may contact you or on other bidding procedures. Please describe below any such restrictions or procedures, and/or give Web address where they are posted.

13. (Optional) Purchases in future years: If you have plans to purchase additional services in future years, or expect to seek new contracts for existing services, summarize below (including the likely time-frames).

Instructional software technology planning and training. Additional work stations (Desktop or Laptop)

Block 3: Technology Assessment

14. ☐ **Basic telephone service only:** If your application is for basic local and long distance voice telephone service only, check this box and skip to Item 16.

15. Although the following services and facilities are ineligible for support, they are usually necessary to make effective use of the eligible services requested in this application. Unless you indicated in Item 14 that your application is ONLY for basic telephone service, you must check at least one box in (a) through (e). You may provide details for purchases being sought.

a. Desktop communications software: Software required ☒ has been purchased; and/or ☒ is being sought.

b. Electrical systems: ☒ adequate electrical capacity is in place or has already been arranged; and/or ☒ upgrading for additional electrical capacity is being sought.

c. Computers: a sufficient quantity of computers ☒ has been purchased; and/or ☒ is being sought.

d. Computer hardware maintenance: adequate arrangements ☒ have been made; and/or ☒ are being sought.

e. Staff development: ☒ all staff have had an appropriate level of training or additional training has already been scheduled; and/or ☒ training is being sought.

f. Additional details: Use this space to provide additional details to help providers to identify the services you desire.

Block 4: Recipients of Service

16. Eligible Entities That Will Receive Service:

Check the ONE choice that best describes this application and the eligible entities that will receive the services described in this application.

You must select a state if (b) or (c) is selected: **PR**

a. ☒ Individual school or single-site library: Check here, and enter the billed entity in Item 17.

b. ☒ Statewide application (check all that apply):

- ☐ All public schools/districts in the state:
☐ All non-public schools in the state:
☐ All libraries in the state:

If your statewide application includes INELIGIBLE entities, check here. ☐ If checked, complete Item 18.

c. ☒ School district, library system, or consortium application to serve multiple eligible sites:

Number of eligible sites	16
<i>For these eligible sites, please provide the following</i>	
Area Codes (list each unique area code)	Prefixes associated with each area code (first 3 digits of phone number) separate with commas, leave no spaces
787	259, 264, 265, 280, 284, 817, 822, 823, 830, 831
If your application includes INELIGIBLE entities, check here. <input type="checkbox"/> If checked, complete Item 18.	

17. Billed Entities

Entity Name	Entity Number
ACADEMIA ADVENTISTA DEL OESTE	157716
ACADEMIA ADVENTISTA DEL SUR	157717
ACADEMIA ADVENTISTA DEL SUROESTE	157718
BELLA VISTA ADVENTIST ACADEMY	157731
COLEGIO PRESBITERIANO SAN SEBASTIAN	158930
ACADEMIA SANTA ROSA DE LIMA	158956

Colegio San Antonio	158969
Academia Pentecostal Bethel	158971
ACADEMIA ALEXANDRA	159117
LICEO AGUADILLANO	159196
ACADEMIA ADVENTISTA DEL NORESTE	197675
ACADEMIA ADVENTISTA DEL CENTRO RAMON RIVERA PEREZ	197681
Colegio Bilingue: Light of the Children	197683
ACADEMIA ADVENTISTA DEL NORTE	197735
ACADEMIA ADVENTISTA DE FLORIDA	197736
COLEGIO SANTISIMA TRINIDAD	197768

18. Ineligible Entities

Ineligible Participating Entity	Entity Number	Area Code	Prefix
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Block 5: Certification

19. The applicant includes:(Check one or both)

- a. ☒ schools under the statutory definitions of elementary and secondary schools found in the Elementary and Secondary Education Act of 1965, 20 U.S.C. Secs. 8801(14) and (25), that do not operate as for-profit businesses, and do not have endowments exceeding \$50 million; and/or
- b. ☐ libraries or library consortia eligible for assistance from a State library administrative agency under the Library Services and Technology Act of 1996 that do not operate as for-profit businesses and whose budgets are completely separate from any school (including, but not limited to) elementary and secondary schools, colleges and universities.

20. All of the individual schools, libraries, and library consortia receiving services under this application are covered by:

- a. ☐ individual technology plans for using the services requested in the application
- b. ☒ higher-level technology plans for using the services requested in the application
- c. ☐ no technology plan needed; application requests basic local and long distance telephone service only.

21. Status of technology plans (if representing multiple entities with mixed technology plan status, check both a and b):

- a. ☒ technology plan(s) has/have been approved by a state or other authorized body.
- b. ☐ technology plan(s) will be approved by a state or other authorized body.
- c. ☐ no technology plan needed; application requests basic local and long distance telephone service only.

22. ☒ I certify that the services the applicant purchases at discounts provided by 47 U.S.C. Sec. 254 will be used solely for educational purposes and will not be sold, resold, or transferred in consideration for money or any other thing of value.

23. ☒ I recognize that support under this support mechanism is conditional upon the school(s) or library(ies) I represent securing access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to use the services purchased effectively.

24. ☒ I certify that I am authorized to submit this request on behalf of the above-named entities, that I have examined this request, and to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

25. Signature of authorized person: ☒

26. Date (mm/dd/yyyy): 11/17/2000

27. Printed name of authorized person: Ines O'Neill

28. Title or position of authorized person: Directora Ejecutiva

29. Telephone number of authorized person: (787) 501 - 5663 ext.

05/0W -5/61/3 R1/60

05/0N L V T R - ff' -5/61/5 R1/60 05/0L -V T 60 N T

EXHIBIT 3
AFFIDAVIT OF INES M. O'NEILL

The Atrium Office Center
530 Ave. Ponce de León San Juan P.R. 00901
Tel: (787) 289- 7862
Fax: (787) 289-8779

DECLARATION OF INES M. O'NEILL

COMMONWEALTH OF PUERTO RICO)
MUNICIPALITY OF SAN JUAN)

Ines M. O'Neill, under penalty of perjury, hereby deposes and states as follows:

1. I am Executive Director of the Consorcio de Escuelas y Bibliotecas de Puerto Rico (CEBPR), a Consortium of Schools and Libraries in Puerto Rico. As Executive Director, I supervised the filing of all Form 470 and Form 471 applications for CEBPR members during the 2001-2002 Year 4 filing window.
2. I have read the attached **Request for Review** and declare that to the best of my knowledge and belief, all factual assertions are true and correct.



Inez M. O'Neill
Executive Director
Consorcio de Escuelas y
Bibliotecas de Puerto Rico, Inc.

EXHIBIT 4
THE SLD GUIDE TO SERVICE
PROVIDER PARTICIPATON IN THE
E-RATE , SECTION 5, SERVICE
PROVIDER ROLE IN ASSISTING
CUSTOMERS

5. Service Provider Role in Assisting Customers

Advise in a neutral way and foster open competition

The fundamental principle on which the E-rate Program is based is that the applicant has conducted a fair and open competitive procurement by which they decided upon the services they are ordering for E-rate discounts. In order to be sure that such a fair and open competition is achieved, it is imperative that Service Providers remember that their marketing discussions with applicants must be neutral, so as not to taint the competitive bidding process. That is, the applicant should not have a relationship with the Service Provider prior to the competitive bidding that would unfairly influence the outcome of a competition nor would furnish the Service Provider with "inside" information or allow them to unfairly compete in any way.

The applicant also must be in a position to accept bids once the Form 470 is posted on the SLD web site. The applicant must take an affirmative role in the evaluation of such bids. The FCC has ruled that the applicant may not delegate this evaluation role to anyone associated with a Service Provider.

Encourage compliance with Program rules

Service Providers can play an important role in reinforcing the importance of compliance with Program rules. If questions come up about either the applicant's or Service Provider's role in the competitive bidding process, they can be raised either in an email to serviceprovider@universalservice.org or with the Client Service Bureau at 1-888-203-8100.

Consequences for lack of compliance

In the event that SLD determines that the Service Provider has not acted in compliance with Program rules or the applicant has not acted in compliance with Program rules it can result in denial of funding, reduction in funding, cancellation of funding (a commitment adjustment), audit or other investigation. The Service Provider or applicant may also be subject to enforcement action. Again, check with the SLD if you in doubt about whether a specific action is acceptable.

Proper assistance in Form 470 process

Basic information about the Program and process

It is permissible for Service Providers, acting in a neutral, advisory role, to provide basic information about the E-rate Program and the application process. Customers should be directed to the official source of information, the SLD web site (www.sl.universalservice.org). Service Providers should familiarize themselves with the web site, especially the

Reference Area listings and What's New, in order to be able discuss the E-rate Program with customers.

Deadlines; timelines

Service Providers can remind applicants about the appropriate deadlines and timelines for filing application forms. Remember that the Form 471 has a "filing window" period, usually running from sometime in November to sometime in the following January. Applications that are properly filed and received within the filing window are treated as having arrived at the same time. Depending on available funding, commitments are made first to the applications received within the filing window and then to applications received outside the window. For the majority of Funding Years, there has not been sufficient money to fund applications received outside the window.

It is important to remind applicants that their obligation to meet deadlines does not end with the Form 471 application. Once the applicant has received a Funding Commitment Decision Letter, the applicant must file their Form 486 to indicate that services have started. Service Providers should not invoice USAC without having confirmation (through a 486 Notification Letter) that the Form 486 has been filed.

Assist in Request for Proposal (RFP) development

The FCC understands that applicants sometimes need to seek assistance from service providers in developing RFPs. Such assistance is permissible even if the service provider plans to submit a bid in response to that RFP as long as the service provider's assistance is neutral. For example, RFPs may not be written in such a way that only the service provider who rendered the assistance could win the bid. Or, an applicant may not reveal information to the service provider assisting in the preparation of the bid that the applicant does not share with all prospective bidders. These are just two examples of assistance that would not be considered neutral. If you need further assistance in determining whether actions are permissible, send an email to serviceprovider@universalservice.org or call the Client Service Bureau at 1-888-203-8100.

Assist customers with technology plan requirement

Familiarize customers with Program requirements

Information about the Technology Plan requirements can be found in the Reference Area of the SLD web site. Service Providers should be familiar with that material and may review it with their customers.

Provide technical assistance

Service Providers may offer technical assistance on the development of a technology plan, so long as that assistance can be interpreted as neutral and in no way as having an undue influence on the applicant's ability to

conduct a fair and open competition for the necessary technology services and products.

Proper assistance in Form 471 process

It is important to remember that the applicant has to wait at least 28 days from the day their Form 470 is **posted** on SLD's web site before choosing their Service Provider or signing a contract. Once the applicant has chosen their Service Provider (vendor) or signed the contract, the applicant can proceed to file the Form 471.

Provide guidance on services and functionality

The chosen Service Provider is expected to be a resource to the applicant for information about the technology, the products and the services that are being furnished to the applicant. The Service Provider should provide information that the applicant can include with their application, as the supporting documentation which describes in detail the services being ordered.

This role may not end with the Funding Commitment Decision Letter. If the applicant decides to do a service substitution, the Service Provider can play a valuable role in detailing how the functionality of the original request is being met by the newly desired configuration.

Provide account information for customers on existing services

Service Providers should be sure that the applicant is clear about Billing Account Numbers (if applicable), contract numbers, ineligible components (if any), and other details of existing services. Service Providers should discuss with applicants what will happen to discounts being provided if the Funding Commitment Decision Letter on existing services is delayed beyond the beginning of the subsequent Funding Year for some reason.

Service Providers should also be sure that the applicant has all the current information about SPIN numbers and company names (especially in a era of rapid changes due to mergers and acquisitions).

Serve as contact for questions about services, technology

Both the applicant and Service Provider can be resources to Program Integrity Assurance (PIA) staff during application review, whether that occurs prior to the original funding commitment or at a later stage due to a change in circumstances.

Inappropriate Roles for Service Providers

Signature on Applicant Forms

No person associated with a Service Provider should ever sign the Form 470 or Form 471. There should never be a situation where a person is

authorized by an applicant to make decisions for the applicant and at the same time be associated in any capacity with the Service Provider who submits bids in response to the Form 470 and appears on the Form 471. If such a relationship is discovered it may lead to enforcement action and denial of funding.

Contact on 470

The FCC has ruled that if a representative or employee of a Service Provider serves as the contact person on a Form 470 such action will have the effect of compromising the competitive bidding process. It is unlikely that the applicant can have a fair and open competitive process if the bids are submitted to and the evaluation is carried out by a representative or employee of a Service Provider who participated in the bidding process.

It should be noted that the presence of a representative or employee of a Service Provider as the contact on the Form 470, or any contact information associated with a service provider on the Form 470, renders that Form 470 invalid, if the services sought on the Form 470 include the type of services which the Service Provider furnishes. For example, if a representative or employee of a Service Provider which furnishes Internal Connections serves as the contact on a Form 470 seeking telecommunications services and Internal Connections, that entire Form 470 is rendered invalid and cannot be cited to **support** any FRNs. That is because there is a rebuttable presumption that the Service Provider is participating in the competitive bidding process if the Form 470 seeks the type of services furnished by the Service Provider. The applicant can rebut the presumption by proving that, in fact, the Service Provider did not participate in the competitive bidding.

If, on the other hand, the Form 470 which listed as a contact a representative or employee of a Service Provider which furnishes Internal Connections sought only telecommunications services, that Form 470 would be considered valid (to the extent everything else about that Form 470 complied with Program rules).

Approve technology plan

Service Providers may not act as technology plan approvers. Please see the material in the Reference Area on the SLD web site concerning technology plans.

Make final determinations about eligibility

It is the role of SLD (with approval from the FCC) to make determinations as to product and service **eligibility** for E-rate discounts. If a customer asks questions about **specific** products or services, and you do not know the SLD position, it is appropriate for the Service Provider to seek a

determination on the eligibility of the item in question. Such determinations can be requested by submitting an email inquiry to: serviceprovider@universalservice.org.

Provide completed or duplicate RFPs

Service Providers should not be preparing Requests for Proposals (RFPs) for the applicants. The applicants are responsible for this part of the competitive bidding process. While Service Providers may contribute information to help applicants prepare the RFP, the Service Provider may not provide the completed product.

In order to be effective, an RFP must contain sufficient detail about location and quantity of products or services sought to give prospective bidders enough information to prepare a responsive bid. For this reason, duplicate RFPs, where all of the details are identical except for the name of the customer seeking bids, are not allowable. The use of such RFPs may be used as evidence that the applicant failed to have a fair and open competitive bidding process.

Provide funding for applicant's undiscounted portion

In order for the applicant to truthfully certify that it has *on hand or fully committed* the necessary resources (including money) to make effective use of the products and services on which it is seeking discounts, such resources must be clearly available in the applicant's budget *at the time the applicant files the Form 471*. This means that the Service Provider may not seek other resources (such as grants or foundations) to pay the undiscounted portion of the products or services, unless such funds are committed to the applicant prior the applicant filing the Form 471. Please see the Reference Area of the SLD web site, where you will find in the alphabetical listing an item titled Obligation to Pay Non-Discount Portion, which explains this requirement in detail.

Waive applicant's undiscounted portion

One of the prime considerations of the FCC in making the E-rate a discount program was that applicants would have to spend some of their own money on the products and services, thereby providing the applicants with an incentive to make the most appropriate and cost effective decisions about procuring products and services. For this reason, it is a violation of Program rules for the Service Provider to waive the applicant's undiscounted portion or otherwise not require payment. If SLD becomes aware of such a situation it can result in denial of funding, reduction of funding or cancellation of funding (commitment adjustment) and may also result in the Service Provider being subjected to enforcement action.

Coercion or pressure to use a specific Service Provider

The E-rate Program is built on a foundation of state and local procurement laws. It is a violation generally of these laws for a Service Provider to exert undue influence on a customer in order to induce that customer to enter into a contract or otherwise purchase products or services from the Service Provider. If the SLD determines that a Service Provider has engaged in coercive practices (or if SLD receives a complaint from an applicant), an investigation may lead to enforcement actions and possible reduction or loss of funding.

Coercive actions include but are not limited to, contracts that presume a relationship with subcontractors or other Service Providers not chosen by the applicant, the inducement to contract with the Service Provider as a result of "free" assistance in completing application forms, the offer of free or greatly reduced equipment as an inducement to sign a contract or purchase order, and contracts that contain penalty clauses.

Interfere with competitive bidding

Service Providers, through the actions of their representatives and employees, may not interfere with or obstruct the competitive bidding process. The applicant has an affirmative duty to conduct a fair and open competition, seeking the most cost effective solution to its technology needs. Price must be the most important factor in consideration (the factor with the greatest weight), but need not be the only consideration. Other factors may include the Service Provider's experience, the ability of the Service Provider to meet time deadlines or geographical needs, the quality of the work, and the ability of the Service Provider to provide necessary maintenance and assistance.

CERTIFICATE OF SERVICE

I, Claudia Darbie, hereby certify that on November 29, 2001, I caused copies of the foregoing "**Request for Review**" to be delivered, by hand, to the following:

Universal Service Administrative Company*
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Mark G. Seifert
Deputy Chief, Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W., Room 5-C867
Washington, DC 20554

A handwritten signature in cursive script, reading "Claudia Darbie", is written over a horizontal line.

*Via U.S. Mail

ATTACHMENT 3-D

Filed Dec. 27, 2002

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Request for Review by Consorcio de Escuelas)	
y Bibliotecas de Puerto Rico of Decisions of)	
Universal Service Administrator)	
)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
)	
Changes to the Board of Directors of the	)	CC Docket No. 97-21
National Exchange Carrier Association, Inc.)	
)	
Academia Adventista del Noroeste*	)	Billed Entity # 197675
Academia Advenstista del Norte - Arecibo*	)	Billed Entity # 197735
Academia Adventista de Maunabo	)	Billed Entity # 200001
Academia Adventista Metropolitana	)	Billed Entity # 200453
Academia Adventista de Mucarabones	)	Billed Entity # 200631
Academia Adventista de Naguabo	)	Billed Entity # 200002
Academia Cristiana Un Nuevo Amanecer*	)	Billed Entity # 225255
Academia Paraiso de Dorado	)	Billed Entity # 199798
Academia Regional Adventista Central - Caguas	)	Billed Entity # 199854
Academia Regional Adventista del Norte - Vega Baja	)	Billed Entity # 199993
Academia Regional Adventista del Sur	)	Billed Entity # 200263
Academia Santa Rosa de Lima	)	Billed Entity # 158956
Academia Santo Tomas de Aquino Elemental - Bayamon	)	Billed Entity # 200583
Colegio Bilingue Light of the Children	)	Billed Entity # 205527
Colegio Catolico Notre Dame Elemental - Caguas	)	Billed Entity # 199857
Colegio Congregacion Mita, Inc.	)	Billed Entity # 222553
Colegio Inmaculada Concepcion	)	Billed Entity # _____
Colegio Neustra Senora Del Carmen	)	Billed Entity # 158961
Colegio Nuestra Senora del Rosario - Vega Baja	)	Billed Entity # 198187
Colegio Nuestra Senora del Rosario - Ciales	)	Billed Entity # 158867
Colegio Sagrada Familia - Corozal	)	Billed Entity # 198178
Colegio San Rafael - Quebradillas	)	Billed Entity # 158943
Colegio Santa Rosa Elemental - Bayamon	)	Billed Entity # 200582
Colegio San Juan Bautista - Orocovis	)	Billed Entity # 159097
Colegio San Miguel Elemental - Utuado	)	Billed Entity # 198185
Colegio San Miguel Secundario - Utuado	)	Billed Entity # 198186
Biblioteca Electronica Municipio de Aibonito*	)	Billed Entity # 223688
Biblioteca Municipal de Bayamon Dr. Agustin Stahl	)	Billed Entity # 223698

Biblioteca Municipal de Bayamon	)	Billed Entity # 223699
Biblioteca Municipal Canovanas Ernesto Cora Vega	)	Billed Entity # 223713
Biblioteca Municipal de Catano Alberto Davila Fuentes	)	Billed Entity # 223676
Biblioteca Municipal de Cortes, Manati	)	Billed Entity # 223677
Biblioteca Municipal de Guaynabo	)	Billed Entity # 223701
Biblioteca Municipal de Juncos, Jose M. Gallardo	)	Billed Entity # 223704
Biblioteca Municipal de Montebello, Manati	)	Billed Entity # 223679
Biblioteca Municipal de Pugnado, Manati	)	Billed Entity # 223685
Biblioteca Publica Aguas Buenas*	)	Billed Entity # 199610
Biblioteca Publica de Area Aibonito	)	Billed Entity # _____
Biblioteca Publica Arecibo	)	Billed Entity # 199613
Biblioteca Publica Barceloneta*	)	Billed Entity # 199615
Biblioteca Publica Ciales	)	Billed Entity # 199621
Biblioteca Publica Patillas, Pedro Albizu Campos*	)	Billed Entity # 199661
Biblioteca Publica Fajardo	)	Billed Entity # 199627
Biblioteca Publica Yabucoa	)	Billed Entity # 199701
Biblioteca Publica de Arroyo*	)	Billed Entity # 223689
Biblioteca Publica Rio Grande*	)	Billed Entity # 199664
Biblioteca Publica de Cidra*	)	Billed Entity # 199622
Biblioteca Publica Comerio	)	Billed Entity # 199624
Biblioteca Publica Guanica	)	Billed Entity # 199630
Biblioteca Publica de Luquillo*	)	Billed Entity # 223716
Biblioteca Publica San Juan, La Peria	)	Billed Entity # 199686
Biblioteca Publica de Utuado *	)	Billed Entity # 199695
Biblioteca Publica Humacao Antonio A. Roig	)	Billed Entity # 199642
Biblioteca Publica Las Marias	)	Billed Entity # 199649

To: Common Carrier Bureau

Request for Review and Waiver

Pursuant to Sections 54.719(c) and 54.721 of the Commission's Rules, 47 C.F.R. §§ 54.719(c), 54.721, the above-referenced applicants ("Applicants") and the Consorcio de Escuelas y Bibliotecas de Puerto Rico ("CEBPR") hereby request review of the attached actions (Exhibit

1)¹ of the School and Libraries Division ("SLD") of the Universal Service Administrative Company rejecting the above-referenced applications for Year 4 funding because the mailing of the Block 6 Certifications and Item 21 Attachments were not postmarked before the end of the Year 4 filing window ending January 18, 2001. To the extent necessary, Applicants and CEBPR further request a waiver of Section 54.507(c) of the Commission's Rules, 47 C.F.R. § 54.507(c), and any other FCC rule or SLD policy to permit the consideration of the applications. For the reasons set forth below, the Commission should direct the SLD to accept the applications as having been timely filed during the SLD's filing window for funding Year 4.

Applicants are members of CEBPR, a consortium of schools and libraries in Puerto Rico, who filed electronically the above-referenced Form 471 applications with SLD on behalf of the Applicants. The electronic filing of all applications was properly completed by the close of the Year 4 filing window on January 18, 2001. Based on CEBPR's understanding of the program's procedural requirements, the paper executed Block 6 Certifications and Signature part of the applications and Item 21 Attachments were promptly placed in the United States mail for delivery to SLD on either Friday or Saturday January 19 or 20, 2001. To the best of our knowledge, all mailed papers were received by SLD no later than Monday, January 22, 2001.

Over 11 months after the submission of the applications, on November 29 well after the start of the program year and the continuation of existing services by the service provider to many of the Applicants, the above-referenced applications were rejected by SLD solely because the mailing of the Block 6 Certifications and/or Item 21 attachments were postmarked after the

¹ With respect to the 12 institutions listed in the case caption with an asterisk (*), notifications of the rejection of the application have not been received as of this date and are therefore not attached. These applications were filed by CEBPR in the same way as all other applications which are the subject of this and CEBPR's earlier two pending requests for review and waiver. Accordingly, to avoid the need for further filings, they are being included in this request for review and waiver at this time.

2001-2002 filing window closed on January 18, 2001. The rejection notifications are attached as Exhibit 1.²

The mailing deadline (by the close of the window) was a new requirement for program Year 4. In prior years, Applicants filing electronically were accorded several days after the close of the filing window in which to submit the required paper documentation. No notice of the new and more stringent filing requirement was given by the FCC or SLD on either the paper or electronic version of the Year 4 Form 471 application form and accompanying FCC Form 471 Instructions. Accordingly, CEBPR was not aware of the changed filing requirement.

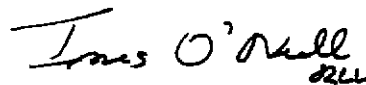
As hereinafter shown, SLD's attempt to impose this more burdensome and stringent filing requirement only through informal and unofficial web site publications that were not approved by the Office of Management and Budget ("OMB") violates the Paperwork Reduction Act. As the Form 471 form itself notes, "an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number." See Block 6, Notice to Individuals. The scope of the "currently valid OMB control number" for Form 471 encompasses only the actual form and accompanying FCC Form 471 Instructions which were followed by CEBPR in this case. Absent OMB approval, more burdensome and stringent information filing requirements lawfully cannot be imposed by SLD. Moreover, SLD's rejection of Applications that were properly filed electronically contravened the Electronic Signatures in Global and National Commerce Act and cannot be sustained for this reason.

² In addition to this Request for Review and Waiver, CEBPR's Requests for Review and Waiver, filed August 23, 2001, and September 7, 2001 of the rejection of other applications for the same reason is currently pending before the FCC. CEBPR requests that all appeals be considered on a consolidated basis.

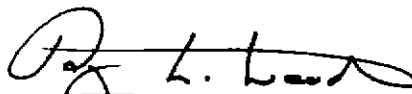
The factual circumstances and issues in this request for review and waiver are identical to those raised in other requests for review and waiver filed by the CEBPR on behalf of other members which are now pending before the Commission. See Request for Review and Waiver, filed by CEPBR on August 23, 2001 and Request for Review and Waiver, filed by CEPBR on September 7, 2001. These Requests for Review and Waiver are incorporated by reference herein and a copy of the September 7th request is attached as Exhibit 2.

For these reasons, the SLD's rejection of the above-referenced applications should be reversed and the SLD directed to reinstate the applications for normal consideration as applications filed within the filing window. To the extent necessary, the Commission should waive the requirements of Section 54.507(c) and any other Commission Rule or SLD policy, and direct SLD to deem the above-referenced applications as having been timely filed.

Respectfully submitted,
CONSORICO DE ESCUELAS Y
BIBLIOTECAS DE PUERTO RICO



Ines O'Neill
Executive Director, CEBPR
and Contact Representative
for the Applicants



Ramsey L. Woodworth
Edgar Class III
SHOOK, HARDY & BACON, LLP
600 14th St. N.W., Suite 800
Washington, DC 20005-2004
Tel: (202) 783-8400
Counsel for CEBPR

December 27, 2001

EXHIBIT 1
SLD/USAC REJECTIONS OF APPLICATIONS

**YOUR FORM 471 HAS BEEN RECEIVED -
BUT POSTMARKED AFTER THE JANUARY 18 WINDOW CLOSED**

We're sending this card to thank you for your recent Form 471 application but also to let you know that your application, Block 6 Certifications, and/or Item 21 attachments were postmarked after the 2001-2002 filing window closed at 11:59 p.m. ET on January 18, 2001.

We are holding your application/attachments. However, your Form 471 application will not be considered for discount funding for the 2001-2002 Funding Year. Sufficient funds are not available.

For more information about the processing of 2001-2002 applications, about appealing the status of your Form 471 application, or about plans for the 2002-2003 application process, please visit our web site at www.sl.universalservice.org. If you do not have access to the Internet, please call the Client Service Bureau at 1-888-203-8100.

Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division
P.O. Box 7026
3833 Greenway Drive
Lawrence, KS 66044-7026



Ines O'Neill
ACADEMIA MAUNABO
530 Ponce de Leon Av
San Juan, PR
00901-2304

ATTENTION:
2001-2002 E-RATE APPLICANTS
Applicant Form Identifier: EC2-017

MAILING DATE:
November 28, 2001



**YOUR FORM 471 HAS BEEN RECEIVED -
BUT POSTMARKED AFTER THE JANUARY 18 WINDOW CLOSED**

We're sending this card to thank you for your recent Form 471 application but also to let you know that your application, Block 6 Certifications, and/or Item 21 attachments were postmarked after the 2001-2002 filing window closed at 11:59 p.m. ET on January 18, 2001.

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Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division
P.O. Box 7026
3833 Greenway Drive
Lawrence, KS 66044-7026



Ines Oneil
ACADEMIA ADVENTISTA METROPOLITANA
530 Ponce de Leon Av
San Juan, PR
00901-2304

ATTENTION:
2001-2002 E-RATE APPLICANTS
Applicant Form Identifier: EC2-020

MAILING DATE:
November 28, 2001

03



**YOUR FORM 471 HAS BEEN RECEIVED -
BUT POSTMARKED AFTER THE JANUARY 18 WINDOW CLOSED**

We're sending this card to thank you for your recent Form 471 application but also to let you know that your application, Block 6 Certifications, and/or Item 21 attachments were postmarked after the 2001-2002 filing window closed at 11:59 p.m. ET on January 18, 2001.

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Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division
P.O. Box 7026
3833 Greenway Drive
Lawrence, KS 66044-7026

Ines O'Neill
Academia Adventista de Mucarabones
530 Ponce de Leon Av.
San Juan, PR
00901-2304

ATTENTION:
2002 E-RATE APPLICANTS
Applicant Form Identifier: CE2-001

MAILING DATE: 2001-
November 28, 2001



**YOUR FORM 471 HAS BEEN RECEIVED -
BUT POSTMARKED AFTER THE JANUARY 18 WINDOW CLOSED**

We're sending this card to thank you for your recent Form 471 application but also to let you know that your application, Block 6 Certifications, and/or Item 21 attachments were postmarked after the 2001-2002 filing window closed at 11:59 p.m. ET on January 18, 2001.

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Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division
P.O. Box 7026
3833 Greenway Drive
Lawrence, KS 66044-7026



REGISTERED MAIL

Ines O'Neill
Academia Adeventista de Naguabo
530 Ponce de Leon Av
San Juan, PR
00901-2304

ATTENTION:
2001-2002 E-RATE APPLICANTS

MAILING DATE:
November 28, 2001



**YOUR FORM 471 HAS BEEN RECEIVED -
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Schools and Libraries Division
Universal Service Administrative Company



Schools and Libraries Division
P.O. Box 7026
3833 Greenway Drive
Lawrence, KS 66044-7026



Ines O'Neill
Academia Paraiso de Dorado
530 Ponce de Leon Av
San Juan, PR
00901-2304

ATTENTION:
2001-2002 E-RATE APPLICANTS
Applicant Form Identifier: NE4-013

MAILING DATE:
November 28, 2001

03



**YOUR FORM 471 HAS BEEN RECEIVED -
BUT POSTMARKED AFTER THE JANUARY 18 WINDOW CLOSED**

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P.O. Box 7026
3833 Greenway Drive
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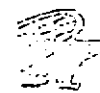
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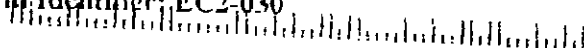
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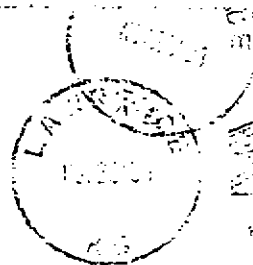
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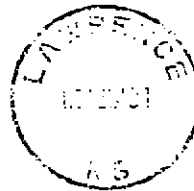
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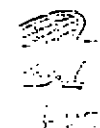
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Applicant Form Identifier: BN3-026

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00901-2304

ATTENTION: 2001-2002 E-RATE APPLICANTS MAILING DATE:
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Applicant Form Identifier: NE4-018

MAILING DATE:
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Biblioteca Municipal de Guaynabo

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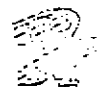
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Lawrence, KS 66044-7026



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530 Ponce de Leon Av
San Juan, PR
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Applicant Form Identifier: NB4-022

MAILING DATE:
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Applicant Form Identifier: NB4-028

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ATTENTION:
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Applicant Form Identifier: NB4-006

MAILING DATE:
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ATTENTION:
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ATTENTION:
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Applicant Form Identifier: NB4-016

MAILING DATE
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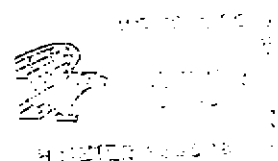
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Applicant Form 471-2001-2002

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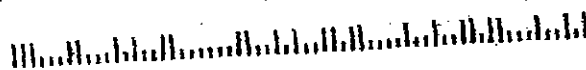
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35 + 7 = 42 40 (a)

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Applicant Form Identifier: NB4-011

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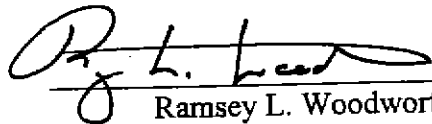
EXHIBIT 2
CEBPR REQUEST FOR REVIEW
AND WAIVER FILED SEPTEMBER 7, 2001

CERTIFICATE OF SERVICE

I, Ramsey L. Woodworth, hereby certify that on December 27, 2001, I caused copies of the foregoing **"Request for Review and Waiver"** to be delivered, by hand, to the following:

Universal Service Administrative Company*
Schools and Libraries Division
Box 125 – Correspondence Unit
80 South Jefferson Road
Whippany, NJ 07981

Mark G. Seifert
Deputy Chief, Accounting Policy Division
Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W., Room 5-C867
Washington, DC 20554



Ramsey L. Woodworth

*Via U.S. Mail

ATTACHMENT

3-E

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FEB 28 2002

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of)	
Review by Consorcio de Escuelas)	
y Bibliotecas de Puerto Rico of Decisions of)	
Universal Service Administrator)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
Changes to the Board of Directors of the)	
National Exchange Carrier Association, Inc.	)	CC Docket No. 97-21
Colegio San Felipe	)	BIN # 159193
Colegio San Antonio	)	BIN # 205387
Academia Primaria Adventista	)	BIN # 157724
Academia Adventista Metropolitana	)	BIN # 200453
Liceo Aguadillano	)	BIN # 159196
Academia Adventista del Centro Ramón Rivera Pérez	)	BIN # 197681
Academia de Enseñanza Moderna, Inc.	)	BIN # 200156
Saint Patrick's Bilingual School	)	BIN # 200260
Biblioteca Pública Camuy	)	BIN # 199579
Biblioteca Pública Barceloneta	)	BIN # 199615
Biblioteca Pública Adjuntas	)	BIN # 199583
Biblioteca Municipal de Area Corozal	)	BIN # 199625
Biblioteca Municipal Caguas	)	BIN # 199581
Biblioteca Municipal Cayey	)	BIN # 201479
Biblioteca San Sebastián	)	BIN # 199689
Biblioteca Pública San Lorenzo	)	BIN # 199688
Biblioteca Pública Manuel Guzmán Rodríguez	)	BIN # 199612
Biblioteca Pública Guayama	)	BIN # 199632
Biblioteca Pública Coamo	)	BIN # 199623
Biblioteca Pública Cantera Rosa M. Sánchez	)	BIN # 199680
Biblioteca Pública Clemencia Philemon	)	BIN # 199666
Biblioteca Pública Guayanilla	)	BIN # 199635
Biblioteca Pública de Culebra	)	BIN # 182660
Biblioteca Pública Peñuelas	)	BIN # 199663
Biblioteca Pública Nemesio R. Canales	)	BIN # 199644
Academia Presbiteriana Reverendo Juan E. Mercado	)	BIN # 199781
Biblioteca Municipal Quebradillas	)	BIN # 225457
Biblioteca Municipal de Boquillas	)	BIN # 223675

Biblioteca Municipal Aurea M. Pérez	)	BIN # 201796
Biblioteca Municipal Francisco Álvarez Marrero	)	BIN # 201228
Biblioteca Pública Augusto Malaret	)	BIN # 199665
Biblioteca Pública de Lajas	)	BIN # 199647
Biblioteca Pública Hatillo	)	BIN # 199638
Biblioteca Pública Camuy	)	BIN # 199579
Fajardo Community Private School	)	BIN # 200066
Biblioteca Pública Pedro M. Alomar	)	BIN # 199690
Biblioteca Pública Alejandrina Quiñones	)	BIN # 199620
Biblioteca Pública José G. Benítez	)	BIN # 199698
Biblioteca Pública Villalba	)	BIN # 199699
Biblioteca Pública Yauco	)	BIN # 199702
Biblioteca Pública Municipal Computarizada de Naranjito	)	BIN # 223718
Colegio Emmanuel, Inc.	)	BIN # 200611
Colegio Nacional	)	BIN # 200546
Biblioteca Pública de Camuy	)	BIN # 199618
Biblioteca Electrónica Municipio Autónomo de Carolina	)	BIN # 199619
)	
Biblioteca Pública Barceloneta	)	App. No. 233178
Biblioteca Pública Adjuntas	)	App. No. 234495
Biblioteca Pública San Lorenzo	)	App. No. 236812
Biblioteca Pública Guayama	)	App. No. 236689
Academia Primaria Adventista	)	App. No. 228886
Biblioteca Pública Camuy	)	App. No. 237339
Biblioteca Pública Caguas, Dr. Pedro Albizu Campos	)	App. No. 236507
Biblioteca Electronica Municipio Autonomo de Carolina	)	App. No. 260589
Biblioteca Pública de Culebra	)	App. No. 237506
Biblioteca Pública Peñuelas	)	App. No. 244332
Biblioteca Pública Salinas, Clemencia Philemon	)	App. No. 244170
Biblioteca Municipal de Corozal	)	App. No. 237386
Biblioteca Pública Guayanilla	)	App. No. 234409
iblioteca Pública Ceiba, Alejandrina Quinones	)	App. No. 236715
Liceo Aguadillano	)	App. No. 228839
Biblioteca Pública Jayuya, Nemesio R. Canales	)	App. No. 237466
Colegio San Felipe	)	App. No. 229093
Colegio Emmanuel, Inc.	)	App. No. 232226
Biblioteca Pública Santa Isabel, Pedro M. Alomar	)	App. No. 237746
Biblioteca Municipal de Cayey	)	App. No. 237615
Biblioteca Pública Hatillo	)	App. No. 237581
Biblioteca Pública Lajas	)	App. No. 237564
Biblioteca Pública Sabana Grande, Augusto Malaret	)	App. No. 237551
Biblioteca Pública Camuy, Barrio Quebrada	)	App. No. 236860
olegio Nacional	)	App. No. 232314
Biblioteca Pública Yauco	)	App. No. 237499
Biblioteca Pública Villalba	)	App. No. 236778

Biblioteca Pública Vieques, Jose G. Benitez	)	App. No. 237716
Fajardo Community Private School	)	App. No. 232444
Biblioteca Municipal de Manati A	)	App. No. 236736
Biblioteca Municipal Las Piedras, Aurea M. Perez	)	App. No. 243153
Biblioteca Municipal de Quebradillas	)	App. No. 260161
Biblioteca Municipal de Boquillas	)	App. No. 244127
Academia de Enseñanza Moderna, Inc.	)	App. No. 232429
Academia Adventista Metropolitana	)	App. No. 228978
Academia Presbiteriana Reverendo Juan E. Mercado	)	App. No. 231427
Colegio San Antonio	)	App. No. 228813
Biblioteca Pública de Añasco, Manuel Guzman Rodriguez	)	App. No. 233108
Biblioteca Pública San Sebastian, Lic. Eduardo Negron B.	)	App. No. 244244
Academia Adventista del Centro, Ramon Rivera Perez	)	App. No. 228164
Biblioteca Pública San Juan, Cantera Rosa M. Sanchez	)	App. No. 236946
Biblioteca Pública Coamo, Coamo, Puerto Rico	)	App. No. 237300
Saint Patrick's Bilingual School	)	App. No. 232457
Biblioteca Pública Municipal Computarizada de Naranjito	)	App. No. 260232
)	
Academia Adventista del Noroeste	)	BIN # 197675
Academia Adventista del Norte - Arecibo	)	BIN # 197735
Academia Adventista de Maunabo	)	BIN # 200001
Academia Adventista Metropolitana	)	BIN # 200453
Academia Adventista de Mucarabones	)	BIN # 200631
Academia Adventista de Naguabo	)	BIN # 200002
Academia Cristiana Un Nuevo Amanecer	)	BIN # 225255
Academia Paraiso de Dorado	)	BIN # 199798
Academia Regional Adventista Central - Caguas	)	BIN # 199854
Academia Regional Adventista del Norte - Vega Baja	)	BIN # 199993
Academia Regional Adventista del Sur	)	BIN # 200263
Academia Santa Rosa de Lima	)	BIN # 158956
Academia Santo Tomas de Aquino Elemental - Bayamon	)	BIN # 200583
Colegio Bilingue Light of the Children	)	BIN # 205527
Colegio Catolico Notre Dame Elemental - Caguas	)	BIN # 199857
Colegio Congregacion Mita, Inc.	)	BIN # 222553
Colegio Inmaculada Concepcion	)	BIN # 198181
Colegio Nuestra Senora Del Carmen	)	BIN # 158961
Colegio Nuestra Senora del Rosario - Vega Baja	)	BIN # 198187
Colegio Nuestra Senora del Rosario - Ciales	)	BIN # 158867
Colegio Sagrada Familia - Corozal	)	BIN # 198178
Colegio San Rafael - Quebradillas	)	BIN # 158943
Colegio Santa Rosa Elemental - Bayamon	)	BIN # 200582
Colegio San Juan Bautista - Orocovis	)	BIN # 159097
Colegio San Miguel Elemental - Utuado	)	BIN # 198185
Colegio San Miguel Secundario - Utuado	)	BIN # 198186
Biblioteca Electronica Municipio de Aibonito	)	BIN # 223688

Biblioteca Municipal de Bayamon Dr. Agustin Stahl	)	BIN # 223698
Biblioteca Municipal de Bayamon	)	BIN # 223699
Biblioteca Municipal Canovanas Ernesto Cora Vega	)	BIN # 223713
Biblioteca Municipal de Catano Alberto Davila Fuentes	)	BIN # 223676
Biblioteca Municipal de Cortes, Manati	)	BIN # 223677
Biblioteca Municipal de Guaynabo	)	BIN # 223701
Biblioteca Municipal de Juncos, Jose M. Gallardo	)	BIN # 223704
Biblioteca Municipal de Montebello, Manati	)	BIN # 223679
Biblioteca Municipal de Pugnado, Manati	)	BIN # 223685
Biblioteca Publica Aguas Buenas	)	BIN # 199610
Biblioteca Publica de Area Aibonito	)	BIN # _____
Biblioteca Publica Arecibo	)	BIN # 199613
Biblioteca Publica Barceloneta	)	BIN # 199615
Biblioteca Publica Ciales	)	BIN # 199621
Biblioteca Publica Patillas, Pedro Albizu Campos	)	BIN # 199661
Biblioteca Publica Fajardo	)	BIN # 199627
Biblioteca Publica Yabucoa	)	BIN # 199701
Biblioteca Publica de Arroyo	)	BIN # 223689
Biblioteca Publica Rio Grande	)	BIN # 199664
Biblioteca Publica de Cidra	)	BIN # 199622
Biblioteca Publica Comerio	)	BIN # 199624
Biblioteca Publica Guanica	)	BIN # 199630
Biblioteca Publica de Luquillo	)	BIN # 223716
Biblioteca Publica San Juan, La Peria	)	BIN # 199686
Biblioteca Publica de Utuado	)	BIN # 199695
Biblioteca Publica Humacao Antonio A. Roig	)	BIN # 199642
Biblioteca Publica Las Marias	)	BIN # 199649

To: Common Carrier Bureau

SUPPLEMENT TO REQUESTS FOR REVIEW AND WAIVER

The above-referenced applicants ("Applicants") and the Consorcio de Escuelas y Bibliotecas de Puerto Rico ("CEBPR"), by its attorneys, hereby file this Supplement to their pending "Requests for Review and Waiver" of the actions of the School and Libraries Division ("SLD") of the Universal Service Administrative Company rejecting the above-referenced applications for Year 4 funding. The Requests were filed on August 23, 2001, September 7,

2001, December 27, 2001, and January 25, 2002.¹

BACKGROUND

The above-referenced applications for funding Year 4 were rejected by the SLD solely because the mailing of the Block 6 Certifications and Item 21 Attachments were not postmarked before the end of the filing window ending January 18, 2001. In addition to showing that the application of this new filing procedure and deadline for Year 4 was unlawfully applied under 44 U.S.C. § 3507(h)(3) (1991 & Supp. 2001),² the Applicants and CEBPR further requested, to the extent necessary, a waiver of Section 54.507(c) of the Commission's Rules, 47 C.F.R. § 54.507(c), and any other FCC rule or SLD policy to permit the consideration of the applications. This supplement further addresses the basis for waiver of the new filing requirement under firmly established Commission precedent.

I. THE BASIC PRINCIPLES SET FORTH IN THE NAPERVILLE COMMUNITY DECISION MANDATE GRANT OF A WAIVER.

In *Naperville Community*, the full Commission waived SLD minimum processing requirements and directed the SLD to consider the applications where: (1) the failure to comply with the minimum processing requirements was a first-time information requirement on a revised form, thereby possibly leading to confusion on the part of the applicants; (2) the omitted information could be easily discerned by SLD through examination of other information included in the application; and (3) the application was otherwise substantially complete.³ The

¹ Four separate Requests for Review and Waiver have been filed due to the different dates on which particular applications have been rejected by SLD. In each instance, CEBPR has filed a timely Request for Review and Waiver of those rejections.

² Paperwork Reduction Act of 1995, Pub. L. No. 104-13, 44 U.S.C. § 3507(h)(3).

³ Request for Review by Naperville Community Unit School District 203, Federal-State Joint Board
(continúa...)

facts of this case fall well within the basic principles established in *Naperville Community* mandating that a waiver be granted.

A. The Request For Information Was A First-time Information Gathering Requirement Which, Because Of The Way In Which It Was Implemented, Led To Confusion On The Part Of The Applicants.

Prior to the Year 4 application process, the deadline by which the paper documents backing up the electronic filing had to be received by SLD was later than the deadline for the electronic filing of the FCC Form 471, so that applicants had one or two days after the close of the window to mail their paper documents.⁴ For instance, in funding Year 3, the filing window for FCC Forms 471 closed on January 19, 2000, while the filing deadline for signed Block 6 certifications was January 31, 2000.⁵

However, for funding Year 4, the SLD established new and more stringent requirements mandating that the mailing of the paper documents be postmarked by the close of the filing window.⁶ Despite the material nature of the change, the SLD failed to secure required OMB approval for the new information gathering requirement or inform applicants in the Instructions to the Form 471 application and the form itself. Rather, the OMB-approved Instructions for Year

³(...continuacion)

on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-203343, CC Docket Nos. 96-45 and 97-21, *Order*, 16 FCC Rcd 5032, ¶ 16 (Feb. 27, 2001) (*Naperville Community*).

⁴

See <http://www.sl.universalservice.org/whatsnew/012000.asp#extended> (SLD web site, What's New, January 2000) (noting that for Funding Year 3, the filing window for FCC Forms 471 closed on January 19, 2000, while the deadline for certifications was initially January 26, 2000, later extended to January 31, 2000).

⁵

Id.

⁶

<http://www.sl.universalservice.org/whatsnew/112000.asp#110200> (SLD web site, What's New (November 2000)).

4 just paralleled the Year 3 Instructions:

Electronic Filing Instructions: You may complete and submit the Form 471 by filing the Form electronically online at the SLD Web Site, <www.sl.universalservice.org>. If filing your Form 471 electronically, you must also complete and mail to the SLD the following documents in order to successfully complete the submission of your Form 471 application within the application filing window:

- the Item (21) description(s) of services, and
- a paper copy of the Block 6 Certification, completed and signed with an original ink signature . . .

The only difference between the OMB-approved Instructions for Year 3 and those for Year 4 is the addition of the phrase “within the application filing window” in the Year 4 instructions (the new language is underlined in the above quote for emphasis). Nowhere did the Instructions indicate that mailing by the applicant, rather than receipt by SLD, was the new filing standard. Nowhere did the Instructions for Year 4 state that the paper documents must be postmarked by the close of the filing window. The addition of the phrase “within the application filing window” simply did not tell applicants that the SLD had implemented a new and more stringent filing requirement.

Not only did the SLD’s imposition of the new information gathering requirements through non-OMB approved website publications contravene 44 U.S.C. §3507(h)(3), but it created a substantial potential for confusion among applicants. In net effect, two different and conflicting sets of directions were circulated by SLD, one (the OMB-approved Instructions) setting forth the same procedures followed in Year 3, and the other (not approved by OMB) substantially changing the filing procedure.

In *West Las Vegas Schools*, a waiver of the filing window deadline was granted because the incorrect mailing address was posted on the SLD’s web site resulting in the late filing of the

applicant's FCC Form 471.⁷ This case presents an even more egregious situation of confusing and erroneous SLD instructions. Instructions were circulated that were inaccurate and led to confusion to the detriment of the applicants. As in *West Las Vegas Schools*, incorrect instructions "contributed to the untimely filing" of the paper documents.⁸ Therefore, CEBPR and the Applicants should not be prejudiced by the SLD's imposition of a first-time requirement that led to the confusion.

B. No Information Necessary For The Initial Processing Of The Applications Was Omitted From The Timely Filed Electronic Forms.

With CEBPR's timely filing of all electronic 471 Forms, the SLD had all of the information it needed to commence the initial processing of the applications. All relevant information was included in each of the electronic applications, including the name and mailing address of the applicant along with the name of a contact person, data on the impact of the services ordered, discount calculation worksheets, and information about the eligible services ordered. The brief absence of the information contained in paper Block 6 and Item 21, which arrived at SLD only a few days after the close of the window, clearly did not deprive the SLD of the opportunity to promptly process the applications.

C. The Application Are Substantially Complete.

As indicated above, this is not a situation in which the application was incomplete or relevant information was not available to the SLD. Other than the information contained in

⁷ Request for Review of the Decision of the Universal Service Administrator by West Las Vegas Schools, Las Vegas, NM, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., File No. SLD-196708, CC Docket Nos. 96-45 and 97-21, DA 01-2330, *Order*, 2001 FCC Lexis 5448 (Com. Car. Bur. 2001) (*West Las Vegas Schools*).

⁸ See *West Las Vegas Schools*, 2001 FCC Lexis 5448, ¶ 5.

Block 6 and Item 21, all relevant information necessary for the processing of the applications in question was timely filed through the electronic filing process. With the addition of the Block 6 and Item 21 paper information, which arrived at the SLD a few days later, all applications were complete.

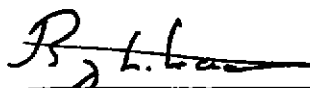
CONCLUSION

For the reasons set forth in the previously filed Requests for Review and Waiver, based on the standards set forth by the Commission's decision in *Naperville Community*, the Commission should direct the SLD to accept the applications as having been timely filed during the SLD's filing window for funding Year 4.

Respectfully submitted,

CONSORCIO DE ESCUELAS Y
BIBLIOTECAS DE PUERTO RICO


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President, CEBPR


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Counsel for CEBPR

February 28, 2002

CERTIFICATE OF SERVICE

I, Edgar Class III, hereby certify that on February 28, 2002, I caused copies of the foregoing **"Supplement to Requests for Review and Waiver"** to be hand delivered to the following:

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Whippany, NJ 07981

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Federal Communications Commission
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Common Carrier Bureau
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Member of Congress
Commonwealth of Puerto Rico
126 Cannon Building
Washington, D.C. 20515

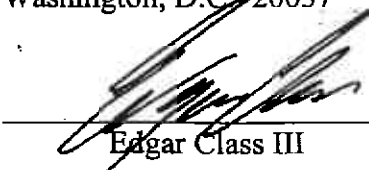
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*Via U.S. Mail

ATTACHMENT

3-F

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

**FILE COPY
RECEIVED**

AUG 26 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
Review by Consorcio de Escuelas)	
y Bibliotecas de Puerto Rico of Decisions of)	
Universal Service Administrator)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
Changes to the Board of Directors of the)	
National Exchange Carrier Association, Inc.	)	CC Docket No. 97-21
Colegio San Felipe	)	BIN # 159193
Colegio San Antonio	)	BIN # 205387
Academia Primaria Adventista	)	BIN # 157724
Academia Adventista Metropolitana	)	BIN # 200453
Liceo Aguadillano	)	BIN # 159196
Academia Adventista del Centro Ramón Rivera Pérez	)	BIN # 197681
Academia de Enseñanza Moderna, Inc.	)	BIN # 200156
Saint Patrick's Bilingual School	)	BIN # 200260
Biblioteca Pública Camuy	)	BIN # 199579
Biblioteca Pública Barceloneta	)	BIN # 199615
Biblioteca Pública Adjuntas	)	BIN # 199583
Biblioteca Municipal de Area Corozal	)	BIN # 199625
Biblioteca Municipal Caguas	)	BIN # 199581
Biblioteca Municipal Cayey	)	BIN # 201479
Biblioteca San Sebastián	)	BIN # 199689
Biblioteca Pública San Lorenzo	)	BIN # 199688
Biblioteca Pública Manuel Guzmán Rodríguez	)	BIN # 199612
Biblioteca Pública Guayama	)	BIN # 199632
Biblioteca Pública Coamo	)	BIN # 199623
Biblioteca Pública Cantera Rosa M. Sánchez	)	BIN # 199680
Biblioteca Pública Clemencia Philemon	)	BIN # 199666
Biblioteca Pública Guayanilla	)	BIN # 199635
Biblioteca Pública de Culebra	)	BIN # 182660
Biblioteca Pública Peñuelas	)	BIN # 199663
Biblioteca Pública Nemesio R. Canales	)	BIN # 199644
Academia Presbiteriana Reverendo Juan E. Mercado	)	BIN # 199781
Biblioteca Municipal Quebradillas	)	BIN # 225457
Biblioteca Municipal de Boquillas	)	BIN # 223675

Biblioteca Municipal Áurea M. Pérez	)	BIN # 201796
Biblioteca Municipal Francisco Álvarez Marrero	)	BIN # 201228
Biblioteca Pública Augusto Malaret	)	BIN # 199665
Biblioteca Pública de Lajas	)	BIN # 199647
Biblioteca Pública Hatillo	)	BIN # 199638
Biblioteca Pública Camuy	)	BIN # 199579
Fajardo Community Private School	)	BIN # 200066
Biblioteca Pública Pedro M. Alomar	)	BIN # 199690
Biblioteca Pública Alejandrina Quiñones	)	BIN # 199620
Biblioteca Pública José G. Benítez	)	BIN # 199698
Biblioteca Pública Villalba	)	BIN # 199699
Biblioteca Pública Yauco	)	BIN # 199702
Biblioteca Pública Municipal Computarizada de Naranjito	)	BIN # 223718
Colegio Emmanuel, Inc.	)	BIN # 200611
Colegio Nacional	)	BIN # 200546
Biblioteca Pública de Camuy	)	BIN # 199618
Biblioteca Electrónica Municipio Autónomo de Carolina	)	BIN # 199619
)	
Biblioteca Pública Barceloneta	)	App. No. 233178
Biblioteca Pública Adjuntas	)	App. No. 234495
Biblioteca Pública San Lorenzo	)	App. No. 236812
Biblioteca Pública Guayama	)	App. No. 236689
Academia Primaria Adventista	)	App. No. 228886
Biblioteca Pública Camuy	)	App. No. 237339
Biblioteca Pública Caguas, Dr. Pedro Albizu Campos	)	App. No. 236507
Biblioteca Electronica Municipio Autonomo de Carolina	)	App. No. 260589
Biblioteca Pública de Culebra	)	App. No. 237506
Biblioteca Pública Peñuelas	)	App. No. 244332
Biblioteca Pública Salinas, Clemencia Philemon	)	App. No. 244170
Biblioteca Municipal de Corozal	)	App. No. 237386
Biblioteca Pública Guayanilla	)	App. No. 234409
Biblioteca Pública Ceiba, Alejandrina Quinones	)	App. No. 236715
Liceo Aguadillano	)	App. No. 228839
Biblioteca Pública Jayuya, Nemesio R. Canales	)	App. No. 237466
Colegio San Felipe	)	App. No. 229093
Colegio Emmanuel, Inc.	)	App. No. 232226
Biblioteca Pública Santa Isabel, Pedro M. Alomar	)	App. No. 237746
Biblioteca Municipal de Cayey	)	App. No. 237615
Biblioteca Pública Hatillo	)	App. No. 237581
Biblioteca Pública Lajas	)	App. No. 237564
Biblioteca Pública Sabana Grande, Augusto Malaret	)	App. No. 237551
Biblioteca Pública Camuy, Barrio Quebrada	)	App. No. 236860
Colegio Nacional	)	App. No. 232314
Biblioteca Pública Yauco	)	App. No. 237499
Biblioteca Pública Villalba	)	App. No. 236778
Biblioteca Pública Vieques, Jose G. Benitez	)	App. No. 237716

Fajardo Community Private School	)	App. No. 232444
Biblioteca Municipal de Manati A	)	App. No. 236736
Biblioteca Municipal Las Piedras, Aurea M. Perez	)	App. No. 243153
Biblioteca Municipal de Quebradillas	)	App. No. 260161
Biblioteca Municipal de Boquillas	)	App. No. 244127
Academia de Enseñanza Moderna, Inc.	)	App. No. 232429
Academia Adventista Metropolitana	)	App. No. 228978
Academia Presbiteriana Reverendo Juan E. Mercado	)	App. No. 231427
Colegio San Antonio	)	App. No. 228813
Biblioteca Pública de Añasco, Manuel Guzman Rodriguez	)	App. No. 233108
Biblioteca Pública San Sebastian, Lic. Eduardo Negrón B.	)	App. No. 244244
Academia Adventista del Centro, Ramon Rivera Perez	)	App. No. 228164
Biblioteca Pública San Juan, Cantera Rosa M. Sanchez	)	App. No. 236946
Biblioteca Pública Coamo, Coamo, Puerto Rico	)	App. No. 237300
Saint Patrick's Bilingual School	)	App. No. 232457
Biblioteca Pública Municipal Computarizada de Naranjito	)	App. No. 260232
Academia Adventista del Noroeste	)	BIN # 197675
Academia Adventista del Norte - Arecibo	)	BIN # 197735
Academia Adventista de Maunabo	)	BIN # 200001
Academia Adventista Metropolitana	)	BIN # 200453
Academia Adventista de Mucarabones	)	BIN # 200631
Academia Adventista de Naguabo	)	BIN # 200002
Academia Cristiana Un Nuevo Amanecer	)	BIN # 225255
Academia Paraíso de Dorado	)	BIN # 199798
Academia Regional Adventista Central - Caguas	)	BIN # 199854
Academia Regional Adventista del Norte - Vega Baja	)	BIN # 199993
Academia Regional Adventista del Sur	)	BIN # 200263
Academia Santa Rosa de Lima	)	BIN # 158956
Academia Santo Tomas de Aquino Elemental - Bayamon	)	BIN # 200583
Colegio Bilingue Light of the Children	)	BIN # 205527
Colegio Catolico Notre Dame Elemental - Caguas	)	BIN # 199857
Colegio Congregacion Mita, Inc.	)	BIN # 222553
Colegio Inmaculada Concepcion	)	BIN # 198181
Colegio Nuestra Senora Del Carmen	)	BIN # 158961
Colegio Nuestra Senora del Rosario - Vega Baja	)	BIN # 198187
Colegio Nuestra Senora del Rosario - Ciales	)	BIN # 158867
Colegio Sagrada Familia - Corozal	)	BIN # 198178
Colegio San Rafael - Quebradillas	)	BIN # 158943
Colegio Santa Rosa Elemental - Bayamon	)	BIN # 200582
Colegio San Juan Bautista - Orocovis)	BIN # 159097
Colegio San Miguel Elemental - Utuado)	BIN # 198185
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Biblioteca Municipal Canovanas Ernesto Cora Vega)	BIN # 223713
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Biblioteca Municipal de Guaynabo)	BIN # 223701
Biblioteca Municipal de Juncos, Jose M. Gallardo)	BIN # 223704
Biblioteca Municipal de Montebello, Manati)	BIN # 223679
Biblioteca Municipal de Pugnado, Manati)	BIN # 223685
Biblioteca Publica Aguas Buenas)	BIN # 199610
Biblioteca Publica de Area Aibonito)	BIN # _____
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Biblioteca Publica Patillas, Pedro Albizu Campos)	BIN # 199661
Biblioteca Publica Fajardo)	BIN # 199627
Biblioteca Publica Yabucoa)	BIN # 199701
Biblioteca Publica de Arroyo)	BIN # 223689
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Biblioteca Publica de Cidra)	BIN # 199622
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Biblioteca Publica Guanica)	BIN # 199630
Biblioteca Publica de Luquillo)	BIN # 223716
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Biblioteca Publica de Utuado)	BIN # 199695
Biblioteca Publica Humacao Antonio A. Roig)	BIN # 199642
Biblioteca Publica Las Marias)	BIN # 199649

To: Wireline Competition Bureau

FURTHER SUPPLEMENT TO REQUESTS FOR REVIEW AND WAIVER

In the interests of a complete record, the Consorcio de Escuelas y Bibliotecas de Puerto Rico ("CEBPR") hereby supplements its pending "Requests for Review and Waiver"¹ to report further information that has recently come to counsel's attention establishing the lack of Office of Management and Budget ("OMB") approval for the "NEW and FIRM" Year 4 postmarking requirement.

The above-referenced applications were rejected solely because the Block 6 Certifications and Item 21 Attachments were not postmarked by the close of the January 18,

¹ These requests were filed on August 23, 2001, September 7, 2001, December 27, 2001, and January 25, 2002 and supplemented on February 28 and June 7, 2002.

2001 filing window. In addition to the information previously submitted by CEBPR showing that the "NEW and FIRM" requirement was unlawfully imposed without OMB approval as required by the Paperwork Reduction Act ("PRA"), this is further confirmed by the following additional OMB action. On October 19, 2000, soon after OMB extended the then existing version of the Form 471 (including no "FIRM and NEW" requirement) for a three-year period, the Commission requested OMB approval for certain revisions to the approved information collection. This second application (Attachment A hereto) sought emergency review without the need for prior public notice in view of the short turnaround time. As described in the transmittal letter, the revisions made were "non-substantive" in nature and made:

"to enhance clarity and to reduce processing costs. See the attached matrix for a listing of all changes made to the form along with the corresponding rationale. We believe that the revisions made to the Form 471 are nonsubstantive. However, out of an abundance of caution, we resubmit FCC Form 471 to OMB for review and approval. We do not believe the revisions will have a significant impact on our current burden estimate."²

Notice of OMB's approval of this second application was published in the Federal Register on November 8, 2000, 65 F.R. 67006.

The matrix (Attachment A, pp. 11-14) attached to the application listed all revisions to the Form 471 for which OMB approval was requested. As shown therein, none of the requested changes dealt in any way with the "NEW and FIRM" postmarking requirement.³ While making several extremely detailed changes in other sections of the form, OMB approval for the

² Letter to Mr. Donald Arbuckle, Acting Administrator and Deputy Administrator, Office of Information and Regulatory Affairs, dated October 19, 2000, p.1. (Attachment A, p. 1)(emphasis added).

³ The previously noted minor revision made to the text of the filing instructions on the form was not included on the matrix and therefore was not presented to OMB for approval.

substantial change in Block 6 filing instructions was neither sought nor obtained in this second application.

In stark contrast, the current edition of the Form 471 references the present version of the “NEW and FIRM” postmarking requirement as one of the “**KEY INFORMATION**” items in a prominent place on the first page of the Instructions.⁴ This version of the form containing the postmarking requirement appears to have been first approved by OMB on March 24, 2003 in order to clarify instructions and make the form easier to read.⁵ Prior to that date, however, the “NEW and FIRM” postmarking requirement lacked OMB approval and could not be lawfully implemented under the Paperwork Reduction Act.

In *Salzer v. F.C.C.*, the Court of Appeals set forth the fundamental legal requirements for letter-perfect filing requirements like the “NEW and FIRM” requirement -- “the less forgiving the FCC’s acceptability standard, the more precise its requirements must be. The FCC cannot reasonably expect applications to be letter-perfect when, as here, its instructions for those applications are incomplete, ambiguous or improperly promulgated.”⁶ In this case, as in *Salzer*, the new requirement was improperly promulgated, confusing to applicants and communicated in an ambiguous fashion.

⁴ Instructions for Completing the Schools and Libraries Universal Service Services Ordered and Certification Form (FCC Form 471), October 2003, p.1, drawing the reader’s attention in bold face print to the form section “**Filing Requirements for Forms 471 Submitted on Paper and Online.**” (pp. 8-9).

⁵ Public Information Collections Approved by Office of Management and Budget, 68 F. R. 23310 (May 1, 2003)(“The Commission revised the FCC Form 471 and instructions to make it possible to read with electronic readers, to update references to current deadlines and to clarify explanations and make the form generally easier to understand.”)

⁶ 778 F.2d 869, 875 (D.C.Cir. 1985). See also, *Satellite Broadcasting Co., Inc. v. F.C.C.*, 824 F.2d 1 (D.C. Cir. 1987).

Both the substantial changes made and context in which they were done show how easily applicants could be confused. From the standpoint of the form filer, the process changes did far more than simply establish a new annual deadline date.⁷ In place of the previous two-step process with a distinctly different deadline for each step, the “NEW and FIRM” requirement substituted a unitary one-step process. It further changed the perfection of filing standard from receipt by SLD to “postmarking” by the applicant and made it an absolute qualification requirement. In the Commission’s own words, it was a “new policy” developed by SLD in consultation with the Commission to eliminate the problem of unexpected shipping delays after mailing.⁸ In contrast, the time previously allowed to perfect the manual filing of the paper documents after the window closed had ranged from 106 days in year 2⁹ to 12 days in year 3.¹⁰

The electronic transmission of data and the mailing of a paper document are distinctly different transactions for an applicant. In earlier years, applicants were required to complete each transaction separately in a sequential “one-after-the-other” filing schedule with a different and far looser deadline applying to the second step. For example, with respect to the related 470 Form that had the same two-step filing procedure, applicants had been advised to “remember that you will then need to mail in your printed-out, signed Block 6 certification as soon as possible

⁷ Even if it were a change in filing deadline alone, this change would be subject to OMB approval under the PRA. See fn. 5, *supra* (OMB approval requested and granted for new filing dates).

⁸ *Alpine County Unified School District*, DA 02-218, released January 31, 2002, paragraph 3 (emphasis added). While numerous ruling have noted that this change was intended to benefit applicants, that is irrelevant to the issue of whether the substantial change was lawfully implemented under PRA with clear and fair notice permitting applicants to adjust to the change.

⁹ See *Edgerton Public School*, DA 01-2803, released December 4, 2001 (paragraph 3). As summarized therein, this deadline was set after the close of the window due apparently to the slowness in receiving the paper filings. The only requirement prior to the close of the window was to complete and mail the paper documents with no deadline given.

¹⁰ *West Jasper School District*, DA 01-2769, released November 29, 2001 (paragraph 11).

after you complete the online application, but these certifications will be accepted even after our March Form 470 deadline.”¹¹ And in year 3 after the window closed, the SLD had specially reminded applicants whose papers had not yet been received to be sure to get them in by the paper certification deadline.¹² Now, the “NEW and FIRM” requirement substituted letter-perfect adherence to the same window deadline. These were substantial changes from the standpoint of the applicant, which could be easily confused or simply missed, given the overall complexity of the application filing process and number of changes made each year.¹³

Moreover, the “NEW and FIRM” requirement was communicated to applicants in a confusing and ambiguous fashion. While published on the SLD website and noted in a letter mailed to the applicant’s contact representative, it was not even mentioned in the most logical place, the actual form 471 Instructions that go with the application. An applicant reading the Instruction alone received no notice of the new requirement, whereas someone checking the website would get a different message. Furthermore, as all SLD communications were solely in English, applicants in Puerto Rico (a bi-lingual jurisdiction under the Commonwealth’s Constitution) were even more apt to be confused and unfairly disadvantaged by the substantially changed requirement.¹⁴

¹¹ Friday is Form 470 Day, SLD Website, March 1999 Announcements.

¹² Certification Deadline Extended, SLD Website, January 2000 Announcements.

¹³ As a result of these changes, applicants were required to adjust their filing procedures to ensure the manual filing of the Block 6 Certification by the same window deadline that applied to the electronic filing process. The PRA was intended to address exactly this type of a situation. The burdens the PRA charges OMB to review include required adjustments in procedures to comply with new filing instructions and in transmitting the information. 44 U.S.C. § 3502(2) & (F).

¹⁴ As previously shown, as a confusing first-time requirement, waiver of the “NEW and FIRM” requirement is also required under *Naperville Community Unit School District 203*, 16 FCC Rcd.

Where “letter-perfect” adherence to a new filing procedure (even if seemingly modest on its face) is a basic qualifying requirement, “elementary fairness compels clarity in the notice of the material required as a condition for consideration.”¹⁵ This has been made very clear many times by the Court of Appeals in reversing other letter-perfect filing requirements for failure to implement the new requirement properly. *Salzer v. F.C.C.*, *supra*. The implementation of the “NEW and FIRM” requirement in year 4 is unlawful under the PRA and falls far short of the standards for a letter-perfect filing requirement established by the Court of Appeals.

Where OMB approval for the information collection is lacking, “the agency shall not treat a person's failure to comply, in and of itself, as grounds for withholding the benefit or imposing the penalty. The agency shall instead permit respondents to prove or satisfy the legal conditions in any other reasonable manner.” 5 C.F.R. § 1320.6(c)(emphasis added). The Commission expressly adopted this standard in *Portland Cellular Partnership*: “where an information collection requirement lacks required OMB approval, we [the Commission] must permit the applicant to provide or satisfy the legal conditions in any reasonable manner.”¹⁶ This properly recognizes that the “public protection” provisions of the PRA (44 U.S.C. § 3512) are exceedingly broad and must be respected. Under Section 3512, “if an agency promulgates an

5032 (2001). See Consorico Supplement to Requests for Review and Waiver, filed February 28, 2002.

¹⁵ *Salzer v. F.C.C.*, *supra*, at 875, citing *Radio Athens Inc. (WATH) v. F.C.C.*, 401 F.2d 398, 401 (D.C. Cir. 1968).

¹⁶ *Portland Cellular Partnership*, 11 FCC Rcd. 19997, 20007-08 (1996), *aff'd sub nom, Saco River Cellular v. F.C.C.*, 133 F.3d 25 (D.C. Cir. 1998), *cert. denied*, 525 U.S. 813 (1998). See also, *Dana Communications, Ltd.*, 7 FCC Rcd. 1878, 1879 (1992) (“agencies may not impose a penalty for failure to comply with an unauthorized information requirement, and ‘shall instead permit respondents to prove or satisfy the legal condition in any other reasonable manner.’ See Section 1320.5(b).”); *Kent S. Foster*, 7 FCC Rcd. 7971, 7972, fn. 10 (1992); and *Fair Oaks Cellular Partners*, 10 FCC Rcd. 9980, 9982 (1995).

information collection without OMB approval, 'members of the public may ignore it without risk of penalty.'"¹⁷

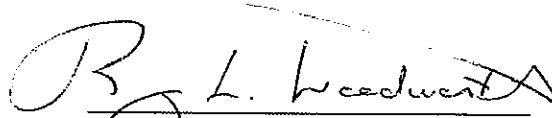
In this case, the manner in which the Consorcio's members have complied with the information collection requirement is well within the zone of reasonableness. Their Block 6 Certifications and Item 21 Attachments were mailed to SLD no later than January 20, 2001, two days after the close of the filing window, and presumably received soon thereafter. There is no evidence that this minor delay would have prejudiced the processing of the application by SLD in any way.

CONCLUSION

For the reasons set forth herein and in the previously filed Requests for Review and Waiver, the above-referenced requests for review and waiver should be promptly granted.

Respectfully submitted,

CONSORCIO DE ESCUELAS Y
BIBLIOTECAS DE PUERTO RICO


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Counsel for CEBPR

August 26, 2004

¹⁷ *Portland Cellular Partnership, supra* at 20002, citing, *Dole v. United Steelworkers of America*, 494 U.S. 26, 40 (1990).

ATTACHMENT A

ATTACHMENT A

PAPERWORK REDUCTION ACT SUBMISSION, DATED OCTOBER 19, 2000
(NOT INCLUDING FCC FORM 471 AND INSTRUCTIONS
APPENDED TO APPLICATION)

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

OCT 19 2000

Mr. Donald Arbuckle
Acting Administrator and Deputy Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Arbuckle:

Enclosed please find a request for emergency review under the provisions of the Paperwork Reduction Act of 1995, 44 U.S.C. § 3507(g). We are seeking approval of the enclosed information collection requirement for section 254 of the Telecommunications Act of 1996. Due to the short turnaround time, we request a waiver of the notice requirements of 5 C.F.R. § 1320.8(d) and 1320.5(a)(1)(iv).

On November 8, 1996, the Federal-State Joint Board on Universal Service released a Recommended Decision in which it made recommendations to assist and counsel the Commission in the creation of an effective universal service support mechanism that would ensure that the goals of affordable, quality service and access to advanced services are met by means that enhance competition. On November 18, 1996, the Commission released a Public Notice (DA 96-1891) seeking public comment on the issues addressed and recommendations made by the Joint Board in the Recommended Decision. On May 8, 1997, the Commission adopted rules providing, among other things, discounts on all telecommunications services, Internet access, and internal connections for all eligible schools and libraries. Schools and libraries that have ordered telecommunications services, Internet access, and internal connections under the universal service discount program must file FCC Form 471, "Services Ordered and Certification," with the Administrator. Form 471 requires schools and libraries to list all services that have been ordered and the corresponding discount for which they qualify.

OMB recently approved the FCC Form 471 for a three year period. However, after further review and consultation with applicants, we discovered that additional refinements were needed to enhance clarity and to reduce processing costs. See the attached matrix for a listing of all the changes made to the form along with the corresponding rationale. We believe that the revisions made to the FCC Form 471 are nonsubstantive. However, out of an abundance of caution, we resubmit FCC Form 471 to OMB for review and approval. We do not believe that the revisions will have a significant impact on our current burden estimate.

The Administrator will use the form for Program Year 4 and subsequent years. Since the Administrator intends to open the filing window for Year 4 in late October or early November, 2000, and the forms must be available prior to that time so that necessary

system development can occur in order for the Administrator to be able to process the forms, we respectfully request OMB approval by October 25, 2000.

The collection of this information is essential to the mission of the agency to ensure that only eligible entities receive universal service support. If OMB follows the normal clearance process for information collections, it would effectively impede the Commission's ability to carry out its regulatory responsibilities under the Telecommunications Act of 1996. Delaying the effective date of these information collection requirements would defeat the Commission's goal of creating a stable and predictable program. Furthermore, the information collection requirements have been carefully designed to collect only the data needed for processing the application.

Please notify me by telephone of your action as soon as possible at (202) 418-0214. Thank you for your prompt attention to this matter.

Sincerely,

Judy E. Boley
Judy E. Boley
Performance Evaluation
and Records Management

Enclosure

Justification for Emergency Clearance

On November 8, 1996, the Federal-State Joint Board on Universal Service released a Recommended Decision in which it made recommendations to assist and counsel the Commission in the creation of an effective universal service support mechanism that would ensure that the goals of affordable, quality service and access to advanced services are met by means that enhance competition. On November 18, 1996, the Commission released a Public Notice (DA 96-1891) seeking public comment on the issues addressed and recommendations made by the Joint Board in the Recommended Decision. On May 8, 1997, the Commission adopted rules providing, among other things, discounts on all telecommunications services, Internet access, and internal connections for all eligible schools and libraries. Schools and libraries that have ordered telecommunications services, Internet access, and internal connections under the universal service discount program must file FCC Form 471, "Services Ordered and Certification," with the Administrator. Form 471 requires schools and libraries to list all services that have been ordered and the corresponding discount for which they qualify.

OMB recently approved the FCC Form 471 for a three year period. However, after further review and consultation with applicants, we discovered that additional refinements were needed to enhance clarity and to reduce processing costs. See the attached matrix for a listing of all the changes made to the form along with the corresponding rationale. We believe that the revisions made to the FCC Form 471 are nonsubstantive. However, out of an abundance of caution, we resubmit FCC Form 471 to OMB for review and approval. The revisions will not have a significant impact on our current burden estimate for the form.

The Administrator will use the form for Program Year 4 and subsequent years. Since the Administrator intends to open the filing window for Year 4 in late October or early November, 2000, and the forms must be available prior to that time so that necessary system development can occur in order for the Administrator to be able to process the forms, we respectfully request OMB approval by October 25, 2000.

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PAPERWORK REDUCTION ACT SUBMISSION

Please read the instructions before completing this form. For additional forms or assistance in completing this form, contact your agency's Paperwork Clearance Officer. Send two (2) copies of this form, the collection instrument to be reviewed, the Supporting Statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street, NW Washington

1. Agency/Subagency originating request
**Federal Communications Commission
Common Carrier Bureau**

2. OMB control number

a. 3060 - 0806

b. ☐ None

3. Type of information collection (check one)

- a. ☐ New Collection
b. ☒ Revision of a currently approved collection
c. ☐ Extension of currently approved collection
d. ☐ Reinstatement without change, of a previously approved collection for which approval has expired
e. ☐ Reinstatement, with change, of a previously approved collection for which approval has expired
f. ☐ Existing collection in use without OMB control number

For b-f, note Item A2 of Supporting Statement Instructions

4. Type of review requested (check one)

- a. ☐ Regular Submission
b. ☒ Emergency - Approval requested by: Oct. 25,
c. ☐ Delegated

5. Will this information collection have a significant economic impact on a substantial number of small entities?
☐ Yes ☒ No

6. Requested expiration date

- a. ☐ Three years from approval date
b. ☒ Other: 4/30/2001

7. Title

Universal Service - Schools and Libraries Universal Service Program

8. Agency form number(s) (if applicable)
FCC Forms 470 and 471

9. Keywords

reporting requirements, universal service, support, schools, libraries, telecommunications carriers, Telecommunications Act of 1996

10. Abstract

The Commission adopted rules providing support for all telecommunications services, Internet access, and internal connections for eligible schools and libraries. To participate in the program, schools and libraries must submit a description of the services desired to the Administrator via FCC Form 470. FCC Form 471 is submitted by schools and libraries that have ordered telecommunications services, Internet access, and internal connections. The information is used to determine eligibility. FCC Form 471 has been revised.

11. Affected public (Mark primary with "P" and all others that apply with "X")

- a. ☐ Individuals or household
b. ☒ Business or other for-profit
c. ☒ Not-for-profit Institutions
d. ☐ Farms
e. ☐ Federal Government
f. ☒ State, Local or Tribal Government

12. Obligation to respond (check one)

- a. ☐ Voluntary
b. ☒ Required to obtain or retain benefits
c. ☐ Mandatory

13. Annual recordkeeping and reporting hour burden

- a. Number of respondents 60,000
b. Total annual responses 60,000
1. Percentage of those responses Collected electronically 90 %
c. Total annual hours requested 440,000
d. Current OMB Inventory 440,000
e. Difference (+, -) 0
f. Explanation of difference
1. Program change (+, -) 0
2. Adjustment (+, -) 0

14. Annual reporting and recordkeeping cost burden (in thousands of dollars)

- a. Total annualized capital/startup costs 0
b. Total annual costs (O&M) 0
c. Total annualized cost requested 0
d. Current OMB Inventory 0
e. Difference (+, -) 0
g. Explanation of difference
1. Program change (+, -) 0
2. Adjustment (+, -) 0

15. Purpose of information collection (Mark primary with "P" and all others that apply with "X")

- a. ☒ Application for benefits
b. ☐ Program evaluation
c. ☐ General purpose statistics
d. ☐ Audit
e. ☐ Program planning or management
f. ☐ Research
g. ☒ Regulatory or compliance

16. Frequency of recordkeeping or reporting (check all that apply)

- a. ☒ Recordkeeping
b. ☒ Third Party Disclosure
c. ☒ Reporting:
1. ☒ On occasion
2. ☐ Weekly
3. ☐ Monthly
4. ☐ Quarterly
5. ☐ Semi-annually
6. ☐ Annually
7. ☐ Biennially
8. ☐ Other

17. Statistical methods;

Does this information collection employ statistical methods?

☐ Yes ☒ No

18. Agency contact (person who can best answer questions regarding the content of this submission).

Name: **Adrian Wright**

Phone: **202-418-0854**

OMB CONTROL NUMBER:

3060- 0806

TITLE

Universal Service - Schools and Libraries Universal Service Program

19. Certification for Paperwork Reduction Act Submission**A. PROGRAM OFFICIAL CERTIFICATION (Internal FCC Use Only)**

(1) Signature (FCC B/O Official)

Sharon Webber

(2) Date

October 19, 2000

On behalf of this Federal agency, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9

NOTE: The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8 (b)(3), appear at the end of the instructions. The certification is to be made with reference to those regulatory provisions as set forth in the instructions.

The following is a summary of the topics, regarding the proposed collection of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It uses plain, coherent, and unambiguous language that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention periods for recordkeeping requirements;
- (g) It informs respondents of the information called for under section 5 CFR 1320.8(b)(3) about:
 - (i) Why the information is being collected;
 - (ii) Use of information;
 - (iii) Burden estimate
 - (iv) Nature of response (voluntary, required for a benefit, or mandatory)
 - (v) Nature and extent of confidentiality; and
 - (vi) Need to display currently valid OMB control number.
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected (see note in Item 19 of the instructions);
- (i) It uses effective and efficient statistical survey methodology (if applicable); and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of these provisions, identify the item below and explain the reason in Item 18 of the Supporting Statement.

B. SENIOR OFFICIAL OR DESIGNEE CERTIFICATION

(1) Signature (FCC OMD)

Leslie J. Smith

(2) Date

OCT 19 2000

3060-0806
October 2000

SUPPORTING STATEMENT

FCC Universal Service Forms: FCC Form 470 and Form 471.

Note: This submission is being made pursuant to 44 U.S.C. Section 3507 of the paperwork Reduction Act of 1995. The Commission is requesting emergency review and approval of the attached FCC Form 471 to assist the Universal Service Administrator in administering the universal service support mechanisms. FCC Form 470 will remain in effect as currently approved by OMB. The Commission requests that OMB approve the attached form by October 25, 2000. Due to the short turnaround time, we request a waiver of the notice requirements of 5 CFR Sections 1320.8 and 1320.5.

A. Justification

1. On November, 8, 1996, the Joint Board released a recommended Decision in which it made recommendations to assist and counsel the Commission in the creation of an effective universal support mechanism that would ensure that the goals of affordable, quality service and access to advanced services are met by means that enhance competition. On May 8, 1997, the Commission adopted rules providing discounts on all telecommunications services, Internet access, and internal connections for all eligible schools and libraries. To participate in the program, schools and libraries must submit FCC Forms 470 and 471.

a. Submission of FCC Form 470 "Description of Service Requested and Certification."

Schools and libraries ordering telecommunications services, Internet access, and internal connections under the universal service discount program must submit a description of the services desired to the Administrator. Schools and libraries may use the same description they use to meet the requirement that they generally face to solicit competitive bids. The Administrator will post those Form 470 forms that request new services on a website for all potential competing service providers to see and respond to as if they were requests for proposals (RFPs). 47 C.F.R. § 54.505(b)(2), 47 C.F.R. § 54.504 (b)(3). Pursuant to section 254(h) of the Telecommunications Act of 1996, 47 U.S.C. § 254 (h), schools and libraries must certify under oath that: (1) the school or library is an eligible entity under section 254(h)(4); (2) the services requested will be used solely for education purposes; (3) the services will not be sold, resold, or transferred in consideration for money or any other thing of value; and (4) if the services are being purchased as part of an aggregated purchase with other entities, the identities of all co-purchasers and the portion of the services being purchased by the school or library. 47 C.F.R. § 54.504(b)(2). For schools ordering telecommunications services at the individual school level (i.e., primarily non-public schools), the person ordering such services should certify to the Administrator the percentage of students eligible in that school

for the national school lunch program (or the other acceptable indicators of economic disadvantage determined by the Commission). This requirement arises in the context of determining which schools are eligible for greater discounts being offered to economically disadvantaged schools. For schools ordering telecommunications services at the school district level, the person ordering such services for the school district should certify to the Administrator the number of students in each of its schools eligible for the national school lunch program (or the other acceptable indicators of economic disadvantages). This requirement also arises in the context of determining which schools are eligible for greater discounts being offered to economically disadvantaged schools. 47 C.F.R. § 54.505(b)(1). Schools and libraries must also certify that they have developed a technology plan that has been approved by an authorized entity. The technology plan should demonstrate that the applicant will be able to deploy any necessary hardware, software, and wiring, and to undertake any necessary teacher training required to use effectively the services ordered pursuant to the section 254(h) discount. 47 C.F.R. § 54.504(b)(2). (No change requested. FCC Form 470 will remain in effect as currently approved by OMB).

b. Submission of FCC Form 471 "Services Ordered and Certification."

Schools and libraries that have ordered telecommunication services, Internet access, and internal connections under the Universal Service Mechanism for Schools and Libraries must file FCC Form 471 with the Administrator. Form 471 requires schools and libraries to list all services that have been ordered and the funding needs for the current funding year. 47 C.F.R. § 54.504(b)(2). This form also gathers information from schools and libraries about the technology currently available to the entity and what is made possible by their application for universal service fund discounts. (See attached memo and matrix which details all changes made to the FCC Form 471. Most of the changes made are for clarification purposes. We anticipate no change in burden).

2. All schools and libraries planning to order services eligible for universal service discounts must file FCC Forms 470 and 471. The purpose of this information is to help determine which schools and libraries are eligible for the greater discounts. Schools and libraries must certify to the Administrator that they have developed an approved technology plan via Form 471. This requirement is designed to help schools and libraries avoid the waste that might arise from requests for services that the schools and libraries would be unable to use for the educational purposes intended.
3. Applicants will be able to electronically file or mail their submissions. Copies of the forms will be available via the Administrator's website.
4. There will be no duplication of information. The information sought is unique to each respondent and similar information is not already available.
5. Entities directly subject to the requirements in the forms are primarily schools and libraries. The forms have been designed to impose the least possible burden on the respondents.

6. Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing section 254 of the 1996 Act and ensuring that the goals of affordable service and access to advanced services are met by means that enhance, rather than distort, competition.
7. Applicants are required to retain certain filings for five years. The records are needed in case the applicant is audited. If an applicant is audited, it should be able to demonstrate to the auditor how the entries in its application were provided.
8. This is an emergency request. We ask OMB to waive the notice requirements of 5 CFR 1320. The public will be given an opportunity to comment on the collection prior to our resubmission under regular procedures.
9. There will be no payments or gift to respondents.
10. The Commission is not requesting that the respondents submit confidential information to the Commission. If the Commission requests applicants to submit information that the respondents believe is confidential, respondents may request confidential treatment of such information under section 0.459 of the Commission's rules.
11. There are no questions of a sensitive nature with respect to the information collected.
12. The following represents the hour burden on the collections of information:
 - a. Submission of FCC Form 470 "Description of Service Requested and Certification."
 - (1) Number of respondents: Approximately 50,000 public school districts, private schools and public library systems.
 - (2) Frequency of response: On occasion. Each school and library must submit FCC Form 470, describing the services desired, to the Administrator.
 - (3) Annual burden per response: 4 hours. The total annual hour burden is 200,000 hours. This estimate includes the time needed for complying with the record retention requirement.
 - (4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$8,000,000.
 - (5) Explanation of calculation: We estimate that this obligation will take approximately 4 hours and will occur once a year for 50,000 schools and libraries. $50,000$ (number of respondents) \times 1 (number of submissions required) \times 4 (hours to prepare form, including time for reading instructions) \times $\$40$ per hour (including administrative staff time and overhead) = $\$8,000,000$.
 - b. Submission of FCC Form 471 "Services Ordered, Certification, and Termination."
 - (1) Number of respondents: Approximately 60,000 public school districts, private schools and public library systems.

- (2) Frequency of response: On occasion. Each school and library must submit FCC Form 471, describing the services desired, to the Administrator.
- (3) Annual burden per response: 4 hours. The total annual hour burden is 240,000 hours. This estimate includes the time need for complying with the record retention requirement.
- (4) Total estimate of the annualized cost to respondents for the hour burdens for collection of information: \$9,600,000.
- (5) Explanation of calculation: We estimate that this obligation will take approximately 4 hours and will occur once a year for 60,000 schools and libraries. $60,000$ (number of respondents) \times 1 (number of submissions required) \times 4 (hours to prepare form, including time for reading instructions) \times \$40 per hour (including administrative staff time and overhead) = \$9,600,000.

Total Annual Burden = 200,000 + 240,000 = 440,000 burden hours.

- 13. (1) Total capital start-up costs component annualized over its expected useful life: \$0. The collections will not require the purchase of additional equipment.
 - (2) Total operation and maintenance and purchase of service component: \$0. The collections will not result in additional operation or maintenance expenses.
 - 14. There will be few, if any costs to the Commission because notice and enforcement requirements are already part of Commission duties. Moreover, there will be minimal cost to the Federal government since an outside party will administer this program.
 - 15. The public burden for the collections contained herein continues to be 440,000 burden hours. Even though the FCC form 471 has been revised, we do not anticipate any significant change in burden. The collections are necessary to implement the universal service discount program for schools and libraries.
 - 16. The Commission will make the information required by 47 C.F.R. § 54.504 publicly available on the Internet. Other non-proprietary information will likely be made publicly available although the Commission does not have specific plans for doing so at this time.
 - 17. The Commission seeks continued approval to not display the expiration date for OMB approval of the information collections. Display of the expiration date on the forms and instructions would not be in the public interest because, after the approval period, we would have to destroy all of the unused forms bearing the expiration date. This would constitute waste and would not be cost effective.
 - 18. Applicants are required to retain certain records longer than three years. Applicants must retain records to be able to demonstrate to the auditor how the entries in their application were provided. This is an emergency request. We ask OMB to waive the notice requirements of 5 CFR 1320.
- B. Collections of Information Employing Statistical Methods.

The Commission does not anticipate that the collection of information will employ statistical methods.

DETAIL OF CHANGES OF YEAR 4 FORM 471 SUBMITTED TO THE FCC 10/16/00

Change #	Block/Item	Old	New	Rationale
1	Block 1 Item 5	Type of Applicant Individual School (including library system, library branch, or library consortium applying as a library)	Type of Application School (Library (i.e. outlet/branch, system))	More accurate. Also, facilitates automatic movement to relevant Worksheet for online filing. Clarity. Also, facilitates automatic movement to relevant Worksheet for online filing. Library consortium now captured in "Consortium" to facilitate automatic movement to relevant Worksheet for online filing.
2	Block 1 Item 6	Holiday/vacation contact information (optional)	Holiday/vacation/summer contact information:	Additional of "Summer" will enhance school contacts.
3	Block 2 Item 7	Check ONLY if this Form 471 represents a minor modification, to a contract, included in a Form 471 for which you already have a Receipt/Acknowledgement Letter.	Check if this Form 471 represents a minor modification, such as a modification of service, to a Form 471 for which you already have a Receipt/Acknowledgement Letter.	Adjustment conforms with actual practice
4	Block 4 Introductory page	The following 3 pages (3a, 3b and 3c) are Block 4 worksheets for use in calculating your discount for services. You will complete one or more depending on the type of applicant you are, the number of sites you represent, and how services will be provided to those sites. O If you are an individual school or a school district, use Worksheet A (page 3a) O If you are a library (system and/or outlet), use Worksheet B (page 3b) O If you are a consortium, use Worksheet C (page 3c), and include as many Worksheets A and B for back-up and documentation.	The following 3 pages (3a, 3b, and 3c) are block 4 worksheets for use in calculating your discount for services. You will complete one or more depending on the type of application you are filing. (Option button became Bullet) If you are filing as a school or a school district, use Worksheet A (page 3a). (Option button became Bullet) If you are filing as a library (i.e. outlet/branch, system), use Worksheet B (page 3b). (Option button became Bullet) If you are filing as a consortium, use Worksheet C (page 3), and use as many Worksheets A and B as you need for back-up documentation. 1111	Conforming adjustment to align with change n° 1 above. Clarity and less burden. Clarity and less burden. Clarity and less burden.
5	Block 4 Worksheet A for Individual Schools/School Districts	Discount Calculation Worksheet A for Individual Schools/School Districts	Discount Calculation Worksheet A for Schools/Schools Districts	Conforming adjustment to align with change n° 1 above.
6	Introductory page	Instructions: Individual Schools/School Districts use this worksheet to calculate the discount rate for site-specific services and/or to determine the weighted average discount calculations for shared services.	If you are filing a School/School District application, use this worksheet to calculate the discount rate for site-specific services and/or to determine the weighted average discount calculations for shared services. If you are: (Check box became Bullet) Applying for discounts ONLY for an individual school, or ONLY site-specific services: Complete columns 1-7 only for each school. (Check box became Bullet) Applying for discounts on services shared by ALL schools in the district (with or without site-specific services as well):	Conforming adjustment to align with change n° 1 above.
7	Item 10a	Check only one: Applying ONLY for an individual school, or ONLY site-specific services: Complete columns 1-7 only for each school. Applying for discounts on services shared by ALL schools in the district (with or without site-specific services as well)	If you are: (Check box became Bullet) Applying for discounts ONLY for an individual school, or ONLY site-specific services: Complete columns 1-7 only for each school. (Check box became Bullet) Applying for discounts on services shared by ALL Schools in the district (with or without site-specific services as well):	Clarity and less burden. Clarity and less burden. Clarity and less burden.

DETAIL OF CHANGES OF YEAR 4 FORM 471 SUBMITTED TO THE FCC 10/16/00

Change #	Block/Item	Old	New	Clarity and less burden	Rationale
0	Item 10b	Applying for discounts on different shared services shared by different groups of schools (with or without site-specific services as well). List entities and calculate discount(s).	(Check box become Blank) Applying for discounts on different shared services shared by different groups of schools (with or without site-specific services as well). List entities and calculate discount(s). School District Name: _____ School District Entity Number: _____ Name of Eligible School: _____ Totals for calculating Weighted Average Discount: _____ (round to 2 decimal places) (For Administrator's Use)	Provides for clarity of data; avoids misidentification during processing.	
9	Column 1 Name of School Discount Blank Upper right corner of page	Discount Calculation Worksheet B For Libraries (Outlets and Systems) Instructions: Libraries use this Worksheet to calculate the discount rate(s) for their system and outlets based on school district(s) in which they are located. Check only one: Applying for discounts ONLY for one site (each as a library system that is all on one site) or ONLY for site-specific services: Complete columns 1-5 only for each site. Attach and number additional pages as needed. Applying for discounts on services shared by ALL sites in library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of sites/outlets: Please complete one worksheet, columns 1-5 PLUS 10c, for EACH group of sharing entities. List entities and calculate discount(s).	Discount Calculation Worksheet B For Libraries If you are filing a library application, use this worksheet to calculate the discount rate(s) for outlets/branches and systems. If you are: Applying for discount ONLY for one outlet/branch or ONLY for site-specific services: Complete columns 1-5 only for each outlet/branch. Add and number pages as needed. Applying for discounts on services shared by ALL outlets/branches in the library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of outlets/branches: Complete one worksheet, columns 1-5 PLUS 10c, for EACH different group of outlets/branches sharing a service. List entities and calculate discount(s). Library System Name: _____ Library System Entity Number: _____ Name of Eligible Library (outlet/branch): _____ Entity Number (1-10 digits): _____ Blank	Clarity Clarity Clarity Facilitates USAC processing.	
10	Block 4 Worksheet B For Libraries (Outlets and Systems)	Discount Calculation Worksheet B For Libraries (Outlets and Systems) Instructions: Libraries use this Worksheet to calculate the discount rate(s) for their system and outlets based on school district(s) in which they are located. Check only one: Applying for discounts ONLY for one site (each as a library system that is all on one site) or ONLY for site-specific services: Complete columns 1-5 only for each site. Attach and number additional pages as needed. Applying for discounts on services shared by ALL sites in library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of sites/outlets: Please complete one worksheet, columns 1-5 PLUS 10c, for EACH group of sharing entities. List entities and calculate discount(s).	Discount Calculation Worksheet B For Libraries If you are filing a library application, use this worksheet to calculate the discount rate(s) for outlets/branches and systems. If you are: Applying for discount ONLY for one outlet/branch or ONLY for site-specific services: Complete columns 1-5 only for each outlet/branch. Add and number pages as needed. Applying for discounts on services shared by ALL outlets/branches in the library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of outlets/branches: Complete one worksheet, columns 1-5 PLUS 10c, for EACH different group of outlets/branches sharing a service. List entities and calculate discount(s). Library System Name: _____ Library System Entity Number: _____ Name of Eligible Library (outlet/branch): _____ Entity Number (1-10 digits): _____ Blank	Conforming adjustment to align with change # 1 above. Clarity	
11	10a	Check only one: Applying for discounts ONLY for one site (each as a library system that is all on one site) or ONLY for site-specific services: Complete columns 1-5 only for each site. Attach and number additional pages as needed. Applying for discounts on services shared by ALL sites in library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of sites/outlets: Please complete one worksheet, columns 1-5 PLUS 10c, for EACH group of sharing entities. List entities and calculate discount(s).	Check only one: Applying for discount ONLY for one outlet/branch or ONLY for site-specific services: Complete columns 1-5 only for each outlet/branch. Add and number pages as needed. Applying for discounts on services shared by ALL outlets/branches in the library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of outlets/branches: Complete one worksheet, columns 1-5 PLUS 10c, for EACH different group of outlets/branches sharing a service. List entities and calculate discount(s). Library System Name: _____ Library System Entity Number: _____ Name of Eligible Library (outlet/branch): _____ Entity Number (1-10 digits): _____ Blank	Clarity Clarity	
12	10b	Check only one: Applying for discounts ONLY for one site (each as a library system that is all on one site) or ONLY for site-specific services: Complete columns 1-5 only for each site. Attach and number additional pages as needed. Applying for discounts on services shared by ALL sites in library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of sites/outlets: Please complete one worksheet, columns 1-5 PLUS 10c, for EACH group of sharing entities. List entities and calculate discount(s).	Check only one: Applying for discount ONLY for one outlet/branch or ONLY for site-specific services: Complete columns 1-5 only for each outlet/branch. Add and number pages as needed. Applying for discounts on services shared by ALL outlets/branches in the library system (with or without site-specific services as well): Applying for discounts on different shared services that are shared by different groups of outlets/branches: Complete one worksheet, columns 1-5 PLUS 10c, for EACH different group of outlets/branches sharing a service. List entities and calculate discount(s). Library System Name: _____ Library System Entity Number: _____ Name of Eligible Library (outlet/branch): _____ Entity Number (1-10 digits): _____ Blank	Clarity Clarity Clarity Clarity Provides for clarity of data; avoids misidentification during processing.	
	Column 1 Name of Library System (if all on one site) or Individual Library Outlets (if multiple sites)		Library System Name: _____ Library System Entity Number: _____ Name of Eligible Library (outlet/branch): _____ Entity Number (1-10 digits): _____ Blank	Clarity	
	Column 2 Entity for each site listed in Column 1 (1-10 digits)		Entity Number (1-10 digits): _____ Blank	Clarity	
	Column 3 Urban or Rural O or R		Blank	Clarity	
			Data collected elsewhere on form; not needed here.		

DETAIL OF CHANGES OF YEAR 4 FORM 471 SUBMITTED TO THE FCC 10/16/00

Change #	Block/Item	Old	New	Clarify where relevant	Rationale
	Column 4	Name of School District in which site is located	Name of School District in which site is located	Clarify where relevant	
13	10c	Shared Discount % (Col. 5 total divided by # of sites in Col. 1. Round to nearest %)	Shared Discount % (Col. 5 total divided by # of outlets/branches in Col. 1. Round to nearest %)	Clarify	
	Upper right corner of page	Blank	(For Administrator's Use)		Facilitates USAC processing.
14	Block 4 Worksheet C	Instructions: Consortium applicants use this worksheet to calculate their discounts based on their eligible members' discounts. Please provide worksheets A and/or B to back-up documentation.	If you are filing a Consortium application, use this worksheet to calculate the consortium discount rate based on eligible members' discounts. Provide worksheets A and/or B for back-up documentation.	Clarify	
15	10a	Check only one: Applying for discounts ONLY on site-specific services: Complete columns 1-4 only.	If you are: (Check square became a bullet) Applying for discounts ONLY on site-specific services: Complete columns 1-4 only. (Check box became a bullet) Applying for discounts on services shared by ALL members (with or without site-specific services as well):	Clarify Clarify. One less item to fill in.	
		Applying for discounts on services shared by ALL members (with or without site-specific services as well):	(Check box became a bullet) Applying for discounts on different groups of consortium members: Complete one worksheet, columns 1-4 PLUS 10c, for EACH different group of entities sharing a service.	Clarify. One less item to fill in.	
16	10b	ELIGIBLE MEMBER ENTITIES Name of each individual school, school district and/or library/system in consortium Urban or Rural O or R	ELIGIBLE MEMBER ENTITIES Name of each school, school district and/or library (i.e. outlet/branch, system) in consortium Blank	Conforming adjustment to align with change n° 1 above.	
	Column 3			Provides for clarity of data; avoids misidentification during processing.	
	Column 4	ENTITY DISCOUNT Individual school: Discount from Worksheet A, Column 7. School District: Weighted average Discount calculated in worksheet A.	ENTITY DISCOUNT School: Discount from Worksheet A, Column 7. School District: Weighted Average Discount from Worksheet A, Item 10c. Library System: Discount from Worksheet B, Item 10c.	Conforming adjustment to align with change n° 1 above.	
17	10c	Shared Discount % (Col. 4 total divided by # of sites in Col. 1. Round to nearest %)	Shared Discount % (Col. 4 total divided by # of entities in Col. 1. Round to nearest %)	Clarify.	
18	Block 5 Item 17 Form 470 (ring)	Allowable Contract Date (mm/dd/yyyy), based on Service Start Date (mm/dd/yyyy)	Allowable Vendor Selection/Contract Date (mm/dd/yyyy) (based on Form 470 filing)	Clarify. Recognizes tariff/MTM vendors.	
	Item 15b	Blank (none)	Service End Date (mm/dd/yyyy) (use only for "T" or "MTM" services)	Clarify and data verification.	
19	Item 23 Column E		(CxD)	Logical sequence.	

DETAIL OF CHANGES OF YEAR 4 FORM 471 SUBMITTED TO THE FCC 10/16/00

Change #	Block/Item	Old	New	Rationale
	Title of Columns F-H	One-Time Charges	Non-Recurring Charges	Clarity and consistency in terminology.
20	Column K Block 6 Item 24	The applicant is eligible for support because it includes. (Check one or both.)	(b)(1) The entities listed in Block 4 of this application are eligible for support because they are: (Check one or both.)	Logical sequence. Clarity.
21	Item 25	The schools and libraries represent, have secured access to all of the resources, including computers,...	The eligible schools and libraries listed in block 4 of this application have secured access to all of the resources, including computers,...	Clarity
22	Item 26	All of the individual schools, libraries and library consortia listed in Block 4 are covered by:	All of the schools and libraries or libraries consortia listed in Block 4 of this application are covered by:	Clarity
23	Item 27a	Technology plan(s) has/have been approved	technology plan(s) has/have been approved; and/or	Clarity
	Item 27b	Technology plan(s) will be approved by a state or other authorized body	Technology plan(s) will be approved by a state or other authorized body; or	Clarity
24	Item 32	I recognize that I may be asked pursuant to this application and will retain for five years any and all worksheets and other records that I rely upon to fill out this application.	I recognize that I may be asked pursuant to this application. I will retain for five years any and all worksheets and other records that I rely upon to fill out this application, and, if audited, will make available to the Administrator such records.	Clarity.
25	Item 34	Signature	Signature of authorized person	Clarity.
26	Footer on all pages	FCC Form 471 - September 1999	FCC Form 471 - October 2000	New date.

CERTIFICATE OF SERVICE

I, hereby certify that on August 26, 2004, I caused copies of the foregoing "**Further Supplement to Requests for Review and Waiver**" to be hand delivered to the following:

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Schools and Libraries Division
Box 125 – Correspondence Unit
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Whippany, NJ 07981

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Donna Brown

*Via U.S. Mail

ATTACHMENT

4

BEFORE THE FEDERAL COMMUNICATIONS COMMISSION WASHINGTON, D.C. 20554

RECEIVED - FCC

In the matter of:

JAN 23 2004

Federal Communication Commission
Bureau / Office

Secretary

Request for Review by the Consorcio)	
de Escuelas Y Bibliotecas de Puerto Rico)	
of Decisions of the Universal Service)	
Administrative Company)	
)	
Federal-State Board on Universal Service	)	CC Docket No. 96-45
)	
Changes to the board of Directors of the)	
National Exchange Carrier Association, Inc.	)	CC Docket No. 97-21
)	
Schools and Libraries Universal Service)	
Support Mechanism	)	CC Docket No. 02-6
)	
Biblioteca Municipal Rincon, Luis Murioz Martin	)	Application No. 327608
Biblioteca Muncipal de Juncos, Jose M. Gallado	)	Application No. 327616
Biblioteca Electronica Dr. Carlos Hernandez Rodrig	)	Application No. 329112
Biblioteca Publica Aguada	)	Application No. 329147
Biblioteca de la Ciudad Rosa M. Sanchez	)	Application No. 329153
Biblioteca Publica Camuy, Barrio Quebrada	)	Application No. 329226
Biblioteca Publica Coamo, Julio Rivera Bermudez	)	Application No. 329245
Biblioteca Publica Gurabo Jose Emilio Gonzalez	)	Application No. 329315
Biblioteca Publica Loiza	)	Application No. 329318
Biblioteca Municipal Mayaguez, El Mani	)	Application No. 329323
Biblioteca Publica Ceiba, Alejandrina Quinonez	)	Application No. 329330
Biblioteca Publica Hatillo	)	Application No. 329336
Biblioteca Publica Humacao, Antonio A. Roig	)	Application No. 329357
Biblioteca Publica Maunabo, Rafael)	
Rodriguez Gonza	)	Application No. 329361
Biblioteca Publica Rio Grande	)	Application No. 329400
Biblioteca Publica Jayuya, Nemesio R. Canales	)	Application No. 329404
Academia Alexandra	)	Application No. 329415
Colegio San Jose	)	Application No. 329454
Biblioteca Publica Sabana Grande, Augusto Malaret	)	Application No. 329491
Biblioteca Publica LaJas, La Parguera	)	Application No. 329519
Biblioteca Municipal Caguas)	
Dr. Pedro Albizu Campo	)	Application No. 329584
Biblioteca Publica Santa Isabel, Pedro M. Alomar	)	Application No. 329590
Biblioteca Municipal De Cayey	)	Application No. 329609
Biblioteca Publica Adjuntas	)	Application No. 329630

Biblioteca Publica Anasco	)	Application No. 329656
Biblioteca Publica Municipal Computadorizada	)	Application No. 329675
Biblioteca Municipal de Corozal, Teofilo Maldonado	)	Application No. 329683
Liceo Aguadillano, Inc.	)	Application No. 329700
Biblioteca Publica de Area Ciales	)	Application No. 329707
Biblioteca Publica Isabella, Candido Bernal	)	Application No. 329741
Biblioteca Municipal de Mayaguez	)	Application No. 329773
Biblioteca Publica Yauco	)	Application No. 329778
Biblioteca Publica de Area Arecibo	)	Application No. 329863
Biblioteca Municipal Las Piedras Aurea M. Perez	)	Application No. 329870
Colegio Catolico Notre Dame Secundario	)	Application No. 329881
Biblioteca Publica Toa Baja	)	Application No. 329928
Biblioteca Publica Penuelas	)	Application No. 329940
Piaget Bilingual Academy of Manati, Inc.	)	Application No. 329967
Biblioteca Publica Aguas Buenas	)	Application No. 329975
Biblioteca Publica Arroyo	)	Application No. 329978
Biblioteca Electronica Municipio de Aibonito	)	Application No. 329982
Biblioteca Municipal de Hormigueros	)	Application No. 329986
Biblioteca Municipal de Bayamon Pilar Barboza	)	Application No. 329990
Biblioteca Publica Toa Baja, Jaime Fonalledas Garr	)	Application No. 330045
Colegio Presbiteriano San Sebastian	)	Application No. 330178
Biblioteca Publica Villalba	)	Application No. 330454
Colegio Marrimee, Inc.	)	Application No. 330580
Biblioteca Publica Salinas, Clemencia Philemon Vda	)	Application No. 331495
Biblioteca Publica Guayanilla)	Application No. 331546

To: Wireline Competition Bureau

REQUEST FOR REVIEW

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January 23, 2004

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SUMMARY

This Request for Review seeks reconsideration of the SLD's rejection of the requests for funding filed by members of CEBPR, a consortium of schools and libraries in Puerto Rico for various reasons but primarily due to a services agreement which was wrongly found to be violative of the competitive bidding procedures. In fact, the contractual provision works to guarantee CEBPR to obtain the lowest prices for services in accordance with the principles of the competitive bidding rules.

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the matter of:

Request for Review by the Consorcio)	
de Escuelas Y Bibliotecas de Puerto Rico)	
of Decisions of the Universal Service)	
Administrative Company)	
)	
Federal-State Board on Universal Service)	CC Docket No. 96-45
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Changes to the board of Directors of the)	
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Biblioteca Publica Salinas, Clemencia Philemon Vda)	Application No. 331495
Biblioteca Publica Guayanilla)	Application No. 331546

To: Wireline Competition Bureau

REQUEST FOR REVIEW

Pursuant to Sections 54.719(c) and 54.721 of the Commission's rules, 47 C.F.R. Sections 54.719(c) and 54.721, the above-referenced applicants ("Applicants") and the Consorcio de Escuelas y Bibliotecas de Puerto Rico ("CEBPR") request review of the attached action (Exhibit A) of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company, dated November 24, 2003, denying all requests for funding contained the above-referenced applications.

In large part, the individual funding requests (FRNs) were denied for reason of a perceived "Bidding Violation." More specifically, without further information or analysis, the SLD concluded as follows:

"Contract earlier signed by applicant with vendor gave vendor right of first refusal to offer lowest price bid, which applicant agreed to if competing bids were received. This dampened competition and compromised the selection of the vendor for funding year 2002."

In addition, with no discernable pattern or consistency from application to application, specific FRNs were rejected for one of three other reasons: (1) the site specific discount as corrected by SLD exceeded the funding cap limit for 2002; (2) the service/product requested was not being used in accordance with program rules; or (3) the applicant had not provided sufficient justification to determine eligibility.

As hereinafter shown, SLD's terse analysis of the alleged Bidding Violation is wrong as a matter of law. Not only does no FCC program rule or SLD interpretative policy prohibit an applicant from according an existing service provider the right to match a lower price bid received in any contract rebidding process for extension of services, but SLD's conclusion as to the competitive implications of such a contractual provision is completely wrong. Such a contractual provision, not at all unusual in contracts for an ongoing service, fosters competition and can work only to guarantee the lowest marketplace price for the product or service. The other reasons put forth by SLD for the denial of specific FRNs are similarly without merit.

I. A Right of First Refusal in a Service Agreement Is Not a Competitive Bidding Violation.

At the outset, it is important to understand the context in which the right of first refusal (hereinafter referred to as a "ROFR") functions in this matter and what it does –

and does not – accomplish. Applicants are members of CEBPR, a consortium of schools and libraries in Puerto Rico, which for program years 1 through 5 arranged for services to members pursuant to a Masters Services Agreement with Hispanic Information and Telecommunications Network, Inc. (“HITN”). The Master Services Agreement (copy attached as Exhibit B) was entered into on January 29, 1998 for an initial five-year term.¹

In pertinent part, Section 3 of the Agreement provided as follows:

“In the event that USF competitive bidding requirements necessitate at any time during the Term of the Agreement it is subject to competitive bidding, PRCSL [now CEBPR] and the Schools and Libraries agree that if the Agreement does not result in the lowest bid price for Services similar to those provided for under this Agreement, HITN/DLS has a right of first refusal to offer a bid lower than the lowest price bid, which PRCSL and the Schools and Libraries agree they will accept.”

As a pre-existing contract under Section 54.511(c)(ii) of the Rules, the Agreement was exempt from competitive bidding requirements in the first program year.

Nonetheless, as a matter of practice and in accord with the Commission’s specific encouragement², all services provided under the contract have been subjected by CEBPR to the Form 470 competitive bidding process in every program year, including year 1.

This has been true both as to the applications of new CEBPR members taking service for the first time in a particular year and members renewing service in subsequent year(s).

This has been done simply to ensure that CEBPR members obtained the lowest possible

¹ The initial five- year term ending January 29, 2003 was subsequently extended for an additional three-year period.

² In approving the use of Master Services Agreements, the Commission provided that the date of the Master Agreement would determine exemption from competitive bidding requirements, but nonetheless encouraged parties to utilize the competitive bidding process. *Federal-State Board on Universal Service, Fourth Order on Reconsideration*, FCC97-420, released December 30, 1997, paragraphs 230-235.

cost for services each year. At the same time, by according the existing service provider, HITN, with the ability to continue to provide services over the term of the Master Services Agreement, provided it was willing to meet any lower priced bid that was received, the Agreement provided for a reasonable continuity and stability of service.

The ROFR provision thus functioned to provide a fair balance between CEBPR's objective to obtain the lowest price possible each year for services for its members with the service provider's reasonable expectancy of maintaining services over the multi-year term of the Master Services Agreement.³ Simply put, the service provider retained the ability to continue to provide services for the agreed term, but only if it was prepared to meet a lower bid received in response to the Form 470 postings of CEBPR members.

In *Mastermind Internet Services, Inc.*, 16 FCC Rcd. 4028 (2000), the Commission held that an applicant violates the competitive bidding rule when it surrenders control of the process to a service provider who is participating in the process through such acts as making a representative of the service provider a point of contact for bid information or allowing the service provider to participate in the bid evaluation process.⁴ The ROFR provision at issue here does not raise that issue for the simple reason that it comes into play, if at all, only after the bid evaluation and selection process has been completed. It does not involve the service provider in the bid receipt and evaluation process in any way

³ As the result of the annual Form 470 competitive bidding process, in program year 6 (July 1, 2003-June 30, 2004), a different service provider was selected to provide most services to CEBPR members.

⁴ See also, *Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas and International Business Machines, Inc.*, FCC 03-313, 2003 FCC LEXIS 6820 at par.32 (2003) ("*Ysleta Order*"), where the Commission states that the FCC Form 470 is intended to allow providers to reasonably evaluate the requests and submit bids. That goal is certainly not frustrated by the ROFR.

and leaves the applicant completely free to evaluate all bids received on their individual merits, including most importantly the price of the services. It leaves that applicant completely free to select any of the bids received. Only after the evaluation and selection process has been completed does the ROFR potentially become operable to give the existing service provider the option to continue to provide services if it is willing to offer a lower price. It is impossible to imagine how the existence of this option with the existing service provider could “dampen” the competitive bidding process in any way if for no other reason than that its existence is not even known to other bidders until the competitive bidding process is completed.

It is true that the ROFR right, after the competitive bidding process is completed, could function to result in the continuation of service from the existing service provider, albeit at a lower price, than the taking of service from a new service provider. But that is a quite different consideration from the integrity of the competitive bidding process. In recognition of the economies and efficiencies inherent in providing recurring services on a longer term basis than an arbitrarily determined program year, the competitive bidding rules expressly allow for multi-year, long-term service contracts, including pre-paid contracts⁵, and automatic contract renewal provisions⁶ with no annual competitive rebidding required. It makes no sense whatsoever to penalize an applicant who desires

⁵ Specifically, the Commission recognized that “educators often will be able to negotiate better rates for pre-paid/multi-year contracts . . .” and concluded that “eligible schools and libraries should be able to enter into pre-paid/multi-year contracts for supported services . . .” *Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd. 8776, 9062 (1997).

⁶ See, *Thomasville City Schools*, DA02-2014, released August 15, 2002, paragraph 3, distinguishing the signing of a new contract with the same service provider (subject to competitive bidding requirements) from a self-renewing contract extension (not subject to competitive bidding requirements).

the benefit of such a longer-term service arrangement, but with the additional potential for an annual cost adjustment downward, if a lower bid is received from another party.

The Commission has stated that competitive bidding for services eligible for discount is a cornerstone of the E-rate program, vital to limiting waste, ensuring program integrity, and assisting schools and libraries in receiving the best value for their limited funds. *See, Ysleta Order* at par. 22 (2003). The Commission has also stated that applicants must select the most cost-effective offerings, and price must be the primary factor in determining whether a particular vendor is the most cost-effective. *Id.* at par. 47. The ROFR promotes that goal by providing for the most cost-effective services being supplied to the applicants.

Under the competitive bidding rules, Section 54. 511(a), an applicant is required to select the "most cost effective bid" but may consider factors other than cost such as the reliability of the service provider, quality of service offered and continuity of services. *See, Id.* at par. 48. With respect to the evaluation of the benefits of continuing an existing service arrangement versus the selection of a new service provider, this means that an applicant may give reasonable weight to the continuation of existing services, even if a lower cost bid is received from another party. *See, Request for Review by the Department of Education of the State of Tennessee of the Decision of the Universal Service Administrator, Request for Review by Integrated Systems and Internet Solutions, Inc. of the Decision of the Universal Service Administrator, Request for Review by Education Networks of America of the Decision of the Universal Service Administrator, Federal-State Joint Board on Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc.*, 14 FCC Rcd 13734 (1999). Certainly, it

would make no sense whatsoever to prohibit an applicant from obtaining the benefit of a ROFR contractual provision to lower the cost of an existing contract, while permitting that same applicant to pay the higher cost as the price of maintaining existing services. The basic purpose of the competitive bidding rule, after all, is to give applicants and the e-rate program the benefit of the lowest cost possible for the services provided, rather than protect existing contractual prices.

II. The SLD Erred In Finding That Equipment Requested In Certain FRNs Is Not Being Used In Accordance With Program Rules.

Certain FRNs (specifically 39 in number) were denied with no explanation other than that "the service/product requested in not being used in accordance with program rules."⁷ These FRNs all relate to the same funding request of various CEBPR members, an example of which is attached as Exhibit C. The example is taken from the Form 471 application of the Biblioteca Publica Loiza, Entity # 199651, FRN # 888183, which was denied in Exhibit A, page 46. As shown therein, the requested pre-discount amount of funding requested is \$375.00 for Internal Connections, specifically 3 Distance Learning Wiring Coaxial Connections, at the price of \$125.00 per connection.

It is virtually impossible to conceive of how a very basic piece of internal connection equipment like this could be used in a manner not in accordance with program rules. In a separate Loiza FRN request which is also attached in Exhibit C (and which was denied for reason of the ROFR contractual provision), funding was requested for Satellite Distance Learning Telecommunications Services, which were fully described in Note 1 of the schedule of services. The requested wiring coaxial connections were simply

⁷ Exhibit A, pages 11, 16, 21, 26, 36, 41, 46, 51, 56, 61, 66, 71, 76, 81, 96, 101, 106, 112, 117, 122, 127, 132, 137, 147, 157, 162, 167, 172, 183, 188, 198, 203, 208, 213, 218, 223, 233, 243 and 248.

needed to provide a connection to the service provider's on-premises equipment that would be installed to deliver the distance learning telecommunications services.

The irrationality of this denial is further demonstrated by the inconsistent way in which this same funding request was dealt with in the applications of other CEPPR members. While most of this type of funding request was denied for reasons not in accordance with program rules, some of the identical requests of other CEBPR members were denied for reason of the ROFR contractual provision (Exhibit A, pp. 5, 6 and 31), some were denied for reason of insufficient information (Exhibit A, pp. 86 and 142) and others were denied for reason of the funding cap for Internal Connections (Exhibit A, pp. 193 and 228). This certainly does not show a pattern of reasoned and consistent decision making on the part of the SLD.

III. The SLD Erred In Finding That Insufficient Information Was Supplied In Certain FRNs.

Certain FRNs (specifically 6 in number) submitted by two CEBPR members were denied because the "applicant has not provided sufficient documentation to determine the eligibility of this item. The site-specific discount was corrected."⁸ The pertinent excerpts from the Form 471 applications of these two applicants (Academia Alexandra, Entity # 159117, and Liceo Aguadillano, Inc., Entity # 159117) are attached as Exhibits D and E. As shown therein, adequate information was provided to support funding for these requests. Specifically, each application funding for the following Internal Connection equipment:

⁸ Exhibit A, pp. 85, 86, 87 and 141, 142, 143.

FRNs 888581 and 889839

HITNet Comm Server Upgrade (add processor 500 MHZ and RAM Up to 1GB)
Enhance Router Upgrade SA Turbo
UPS Upgrade Battery Replacement accessories
Classroom wiring –Installation & Service
On Site Maintenance & Technical Support

FRNs 888582 and 889840

Distance Learning Wiring, 5 Coaxial Connections

FRNs 888583 and 889841

Wireless LAN (2400 Indoor Unit 2 MBPS Signaling Rate

All items were adequately described in the Form 470 application and are clearly eligible items under the SLD's Eligible Service List. See Eligible Services List, pp. 16, 18, 20, 24, 27, and 29. Furthermore, in response to SLD staff requests, CEBPR promptly responded and supplied the requested additional information with respect to the equipment and related services. Sample responses are attached as Exhibit F.⁹ And again, the lack of a rational basis for this rejection is shown by the fact the identical requests of other CEBPR members were denied for completely different reasons. For all other CEBPR applicants, items one and three above were rejected for reason of the ROFR contractual clause, whereas item 2 above was usually (but not always) denied for use not in accordance with program rules.

⁹ In supplying this additional information, CEBPR specifically advised SLD staff that it applied to all pending CEBPR member applications. This was because the SLD processing procedures would often associate material that was supplied with only certain applications, thereby resulting in multiple requests for the same information. This could perhaps explain why only certain applications were denied for lack of supporting information.

IV. The Denial of Certain FRNs Because of the Funding Cap Violated FCC Rules.

Certain FRNs (specifically 11 in number) were denied for reason that “[g]iven demand, the funding cap will not provide for Internal Connections at your approved discount level [as corrected by SLD] to be funded.”¹⁰ Previously, the Form 470 applications of three other CEBPR members had been denied in part for this reason and an appeal, filed December 6, 2002, of those denials is currently pending before the SLD. The pertinent sections of that pending appeal are attached as Exhibit G and incorporated by reference herein. As the appeal has now been pending before SLD for more than one year with no action, CEBPR requests that it now be resolved by the FCC in the context of this present request for review.

For schools, Section 54.505(b)(1) of the Commission’s rules expressly provides that the discount percentage “shall be measured by the percentage of their student enrollment that is eligible for a free or reduced price lunch under the national school lunch program or a federally approved alternative mechanism.” The rule further gives the school the option of using either the percentage of eligible students in the specific school or school district. Similarly, for libraries, Section 54.505(b)(2) expressly provides that the library shall use the percentage of students “in the public school district in which they are located.” If not located in a specific school district, the library shall use the percentage based on an average of eligible students “in each of the school districts that children living in the library’s location attend.” These rules require that the discount percentage be based on the student population in the discrete area served by the school or library.

¹⁰ Exhibit A, pp. 90, 92, 176, 178, 192, 193, 194, 227, 228, 229 and 237.

EXHIBIT A

FUNDING COMMITMENT DECISION LETTER

USAC

00057

00057
Hispanic Information & Telecommunications Network, Inc.
Jose Rodriguez
449 Broadway
3rd Floor
New York, NY 10013



FUNDING COMMITMENT DECISION LETTER

(Funding Year 2002: 07/01/2002-06/30/2003)

November 24, 2003

Hispanic Information & Telecommunications Network, Inc.
Jose Rodriguez
449 Broadway
3rd Floor
New York, NY 10013

Re: Service Provider Name: Hispanic Information & Telecommunications Network, Inc.
Service Provider Identification Number: 143006644

Thank you for participating in the E-rate program for Funding Year 2002 (07/01/2002 - 06/30/2003). This letter is your notification of our decision(s) regarding applications that listed your company's Service Provider Identification Number (SPIN) as providing service(s) eligible for discounts.

ADDRESS INFORMATION

USAC needs to have current, complete and accurate contact and address information in order to properly make payments to service providers. The Form 498, Service Provider Information Form, is the official record of service provider contact and address information. If USAC determines that the contact or address information listed is not current, we will be unable to process payments.

The Form 498 and its instructions are available for download from the SLD web site at www.sl.universalservice.org under SL Forms; service provider forms are found toward the bottom of the page. The instructions are found to the right of the actual form. You may submit a Form 498 to revise contact and/or address information by fax to 703-653-7419; be sure to label your fax cover sheet "FORM 498 REVISION".

As was the case in previous program years, there are a number of steps that need to be completed in order to implement E-rate discounts. In an effort to expedite the process of implementing discounts, we are providing detailed information regarding the status of your customers' requests for discounts in the form of a series of Funding Commitment Reports. Attached are reports of our decisions made for customers listing your SPIN in their Form 471 applications. Each report contains detailed information extracted from the applicant's Form 471, as well as an explanation of our decision regarding their Discount Funding Request.

NEXT STEPS

Once you've reviewed this letter, we urge you to contact your customers to begin any necessary arrangements regarding start of services, billing of discounts or any other administrative details for implementation of E-rate services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules on service delivery periods are eligible for these discounts. Applicants have been encouraged to contact you regarding their E-rate commitments. After applicants have received their Funding Commitment Decision Letter, they will be required to file FCC Form 486, "Receipt of Service Confirmation Form." We will send you a Form 486 Notification Letter when we receive a Form 486 from applicants who cite your SPIN, and will also provide guidance on how to invoice the Schools and Libraries Division (SLD) for reimbursement of discounts for services listed in the respective Form 486. The Form 486 dated August 2003 in the lower right corner MUST be used for ALL Funding

Years. Submissions of earlier versions of the Form 486 will be returned to the applicant and will not be able to be processed.

The Children's Internet Protection Act requires applicants to use the Form 486 to certify their compliance status. The law requires schools and libraries that receive Universal Service discounts for certain services to adopt an Internet safety policy incorporating the use of filtering or blocking technology on computers with Internet access as a condition of receiving those discounts.

NEW DEADLINES FOR INVOICES. After a Form 486 has been properly filed, the SLD must receive an invoice from either the applicant or the service provider in order to make payments for approved discounts on eligible services. Form 472, Billed Entity Applicant Reimbursement (BEAR) Form, is filed by the applicant; Form 474, Service Provider Invoice Form, is filed by the service provider. Invoices must be postmarked no later than 90 days after the last date to receive service or no later than 90 days after the date of the Form 486 Notification Letter, whichever is later. If an invoice is postmarked after the later of those two dates, payment will be denied.

Any appeal of the funding decisions detailed in a Funding Commitment Decision Letter must be postmarked within 60 days of the date on the Funding Commitment Decision Letter. Information on the appeal process can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site <www.sl.universalservice.org>. Therefore, prompt communication with your customer is essential.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the universal service mechanisms for schools and libraries. FCC Form 471 applicants who have received funding commitments continue to be subject to audits and other reviews that the SLD or the Federal Communications Commission may undertake periodically to assure that funds have been committed and are being used in accordance with all such requirements. If the SLD subsequently determines that its commitment was erroneously issued due to action or inaction, including but not limited to that by the SLD, the applicant, or service provider, and that the action or inaction was not in accordance with such requirements, the SLD may be required to cancel those funding commitments and seek repayment of any funds disbursed not in accordance with such requirements. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Thank you for the work you are doing to connect our schools and libraries through advanced telecommunications services.

Sincerely,

Schools and Libraries Division
Universal Service Administrative Company

Enclosures

A GUIDE TO THE FUNDING COMMITMENT REPORT

Attached to this letter will be a report for each E-rate funding request featuring your SPIN. We are providing the following definitions.

FUNDING REQUEST NUMBER (FRN): A Funding Request Number is assigned by the SLD to each Block 5 of the applicant's Form 471 once an application has been processed. This number is used to report to applicants and service providers the status of individual discount funding requests submitted on a Form 471.

FORM 471 APPLICATION NUMBER: A unique identifier assigned to a Form 471 application by the SLD.

FORM 470 APPLICATION NUMBER: A unique identifier assigned by the SLD to a Form 470 as listed in Block 5, Item 12 of the Form 471.

NAME OF 471 APPLICANT: Name of entity that applied to the SLD, from Item 1 of the Form 471.

ADDRESS OF 471 APPLICANT: Address of entity that applied to the SLD from Item 1 of the Form 471. Includes street address and city, state and zip code.

ENTITY NUMBER: A unique identifier assigned by the SLD for the applicant.

NAME OF CONTACT PERSON: The name of the contact person from Block 1, Item 6 of the Form 471.

PREFERRED MODE OF CONTACT: i.e., telephone, fax, or e-mail.

CONTACT INFORMATION: i.e., telephone number, fax number, or e-mail address based on preferred mode of contact.

FUNDING YEAR: The funding year for which discounts have been requested.

FUNDING STATUS: Each FRN will have one of the following definitions:

1. An FRN that is "Funded" will be approved at the level that the SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determined during the application review process that some adjustment is appropriate.
2. An FRN that is "Not Funded" is one for which no funds will be committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision," and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation." An FRN may be "Not funded" because the request does not comply with program rules or because the total amount of funding available for this funding year was insufficient to fund all requests.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a will be listed. This will appear only for "site specific" FRNs.

BILLING ACCOUNT NUMBER: The account number that you have established with your customer for billing purposes. This will be present only if a Billing Account Number was provided on Form 471.

ALLOWABLE VENDOR SELECTION / CONTRACT DATE: The earliest date the applicant was permitted to sign a contract for services after posting a Form 470.

CONTRACT AWARD DATE: The date that the contract for this service was awarded.

EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT: The first possible date of service for which the SLD will reimburse service providers for the discounts for the service.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.

MONTHLY RECURRING CHARGES: The total monthly charges for the recurring service.

PORTION OF MONTHLY RECURRING CHARGES THAT IS INELIGIBLE: Total charges associated with ANY ineligible services, entities, or uses included in the monthly recurring charges for this service.

ELIGIBLE MONTHLY PRE-DISCOUNT AMOUNT FOR RECURRING CHARGES: Total eligible monthly recurring charges approved for the funding year.

NUMBER OF MONTHS RECURRING SERVICE PROVIDED IN FUNDING YEAR: Number of months the service will be provided in the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount for recurring charges multiplied by number of months recurring service provided in the funding year.

ANNUAL NON-RECURRING CHARGES: The total amount of non-recurring (one-time) pre-discount charges for this service.

PORTION OF ANNUAL NON-RECURRING CHARGES THAT IS INELIGIBLE: Total cost associated with ANY ineligible services, entities, or uses included in the annual non-recurring charges.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

TOTAL PROGRAM YEAR PRE-DISCOUNT AMOUNT: The total eligible recurring and non-recurring charges under the program for the funding year.

APPLICANT'S APPROVED DISCOUNT PERCENTAGE: This is the discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse you for the approved discounts for this service through the pertinent funding year service delivery date. It is important that you and the Form 471 applicant both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually delivered and installed.

FUNDING COMMITMENT DECISION EXPLANATION: This entry may amplify the comment in the "Funding Commitment Decision" area.

TECHNOLOGY PLAN APPROVAL STATUS: This reports whether the applicant indicated in Block 6, Item 27 of the Form 471 that the technology plans of the entities included in the form 471 application have received approval, are pending, or are not needed. Consortium applications may feature both "approved" and "pending approval" status.

WAVE NUMBER: The number of the grouped mailing in which the applicant's Funding Commitment Decision Letter was included.

APPLICANT LETTER DATE: The date on the applicant's Funding Commitment Decision Letter.

FUNDING COMMITMENT REPORT

Service Provider Name: Hispanic Information & Telecommunications Network, Inc.
Service Provider Identification Number: 143006644

Funding Request Number: 879887

Form 471 Application Number: 327608

Form 470 Application Number: 324940000382510

Name of 471 Applicant: BIBLIOTECA MUNICIPAL RINCON, LUIS MURIOZ MARIN

Applicant Street Address: FRENTE AL CUARTEL DE POLICIA

Applicant City: RINCON

Applicant State: PR

Applicant Zip: 00677

Entity Number: 223712

Name of Contact Person: INES O'NEILL

Preferred Mode of Contact: EMAIL

Contact Information: CEBPR@CEBPR.COM

Funding Year: 2002 (07/01/2002 - 06/30/2003)

Funding Status: Not Funded

Contract Number: ONE TIME

Services Ordered: Internal Connections

Site Identifier: 225462

Billing Account Number: N/A

Allowable Vendor Selection/Contract Date: 12/19/2001

Contract Award Date: 12/20/2001

Earliest Possible Effective Date of Discount: 07/01/2002

Contract Expiration Date: 06/30/2003

Monthly Recurring Charges: \$400.00

Portion of Monthly Recurring Charges that is Ineligible: \$0.00

Eligible Monthly Pre-Discount Amount for Recurring Charges: \$400.00

Number of Months Recurring Service Provided in Funding Year: 12

Annual Pre-Discount Amount for Eligible Recurring Charges: \$4800.00

Annual Non-Recurring Charges: \$24062.50

Portion of Annual Non-Recurring Charges that is Ineligible: \$0.00

Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$24062.50

Total Program Year Pre-Discount Amount: \$28862.50

Applicant's Approved Discount Percentage: N/A

Funding Commitment Decision: \$0.00 - Bidding Violation

Funding Commitment Decision Explanation: Contract earlier signed by applicant with vendor gave vendor right of first refusal to offer lowest price bid, which applicant agreed to if competing bids were received. This dampened competition and compromised the selection of the vendor for funding year 2002.

Technology Plan Approval Status: Approved

Wave Number: 30E

Applicant Letter Date: 11/24/2003

EXHIBIT B
MASTER SERVICES AGREEMENT

MASTER SERVICES AGREEMENT

This **MASTER SERVICES AGREEMENT** (the "**Agreement**") is made and entered into as of January 29, 1998, by and between the Puerto Rico Consortium of Schools and Libraries ("**PRCSL**"), on behalf of schools and libraries who have or will elect to obtain services under this Agreement (the "**Schools and Libraries**"), and the Hispanic Information and Telecommunications Network, Inc. ("**HITN**"), a New York Non-Profit Corporation, and Distance Learning Services, Inc. ("**DLS**"), a Delaware Corporation (collectively referred as "**HITN/DLS**").

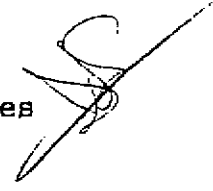
WHEREAS, PRCSL and the Schools and Libraries wish to enter into this Agreement for the purchase of telecommunications equipment and connectivity services from HITN/DLS.

WHEREAS, the services under this Agreement are being procured by PRCSL on behalf of its member schools and libraries and other schools and libraries who have or will agree to participate in the Consortium ("**Consortium**") established for the purpose of obtaining discounted bulk telecommunications equipment and connectivity services from HITN/DLS, including but not limited to, Internet and data connectivity, videoconferencing, video programming, and distance learning connectivity as listed in **Schedule A** ("**HITNET Services**" or the "**Services**").

WHEREAS, Universal Service Fund ("**USF**") refers to the Federal Communications Commission's Universal Service Fund Program which makes available discounts on telecommunications services and related equipment to schools and libraries, including many of the **Services** defined under this Agreement.

NOW, THEREFORE, in consideration of the premises hereof and the provisions contained herein and intending to be legally bound hereby, PRCSL, the Schools and Libraries, and HITN/DLS agree to the following Terms and Conditions:

1. PRCSL will use its best efforts to secure participation by all Puerto Rico schools and libraries in the Consortium and will not undertake to set up any other consortium to secure similar Services from a different service provider.

2. The equipment and the Services available for purchase by PRCSL and the Schools and Libraries are listed in Schedule A. HITN/DLS will make these services and equipment available for a term of five (5) years ("**Term**"), beginning on the date of execution of this Agreement, during which HITN/DLS will be the exclusive supplier of the Services.
3. In the event that USF competitive bidding requirements necessitate at any time during the Term of this Agreement it is subject to competitive bidding, PRCSL and the Schools and Libraries agree that if the Agreement does not result in the lowest price bid for Services similar to those provided for under this Agreement, HITN/DLS has a right of first refusal to offer a bid lower than the lowest price bid, which PRCSL and the Schools and Libraries agree they will accept.
4. Should a School or Library under this Agreement not qualify for USF funding in any year(s), the School or Library may elect to cancel the taking of Services under this Agreement for that year(s). PRCSL agrees it will make reasonable efforts to assist all participating Schools and Libraries in obtaining funding and to obtain such funding on behalf of the Consortium.
5. HITN/DLS will make reasonable efforts to assist PRCSL and the Schools and Libraries in the Consortium in applying for and obtaining Universal Service Fund discounts for the Services.
6. HITN/DLS may withdraw, without penalty, from the Terms and Conditions of this Agreement after June 30, 1998 in the event that 100 Schools and Libraries (each of which HITN/DLS finds to be technically feasible for receiving HITN/DLS Services based on the Site Survey as described in Schedule A) do not agree to join the Consortium and participate under this Agreement by that time. 
7. HITN/DLS makes no warranties of any kind, whether expressed or implied, for the Services it is providing. HITN/DLS also disclaims any warranty of merchantability or fitness for a particular purpose. HITN/DLS will not be responsible for any damages suffered by PRPAE or the Schools and Libraries. This includes loss of data resulting from delays, nondeliveries, misdeliveries or Service interruptions caused by PRCSL, the Schools and Libraries or HITN/DLS's negligence, errors or omissions, or due to inadvertent releases or

disclosures of information sent by PRCSL or the Schools and Libraries.

8. HITN/DLS's Services may only be used for lawful purposes. Unauthorized transmission or storage of information, data or material in violation of any Federal or state law or regulation is prohibited. This includes, but is not limited to: copyrighted material, material that is obscene or material protected by trade secret. In this respect, PRCSL and the Schools and Libraries agree to indemnify and hold harmless HITN/DLS from any liability for any injury, harm or damages (including payment of reasonable attorneys fees) caused to any person by use of the Services provided under this Agreement.
9. PRCSL and the Schools and Libraries agree that HITN/DLS network access is for network Services at PRCSL and the Schools premises only. Remote network access from PRCSL and the Schools and Libraries premises can be arranged and is permitted only with prior written approval from HITN/DLS.
10. Without HITN/DLS's prior written consent, PRCSL and the Schools and Libraries shall not either (i) assign, transfer, or otherwise dispose of this Agreement or any interest in this Agreement or the Service, or (ii) sublet the Service or permit it to be used by anyone other than PRCSL and the Schools and Libraries and their students, employees and patrons (in the case of a Library).
11. Notwithstanding Paragraph 5 above, after June 30, 1998, Services may be canceled by a participating School or Library prior to the completion of the Term by giving HITN/DLS 90 days prior written notice. If Services are canceled by a School or Library (the "Party Canceling") prior to the completion of Term, the Party Canceling shall remain obligated to pay HITN/DLS Monthly Recurring Fees as listed in Schedule A (i) through the completion of the Term, (ii) through the effective termination date requested by the Party Canceling, or (iii) through the completion of the 90 day period following HITN/DLS's receipt of written notice from the Party Canceling of its intent to terminate this Agreement, whichever is later. The Party Canceling shall be responsible for all Telephone Company or other Telecommunications Company pass-through fees necessary in the provision of the Services to the Party Canceling (i) through the effective termination date requested by the Party Canceling, or (ii) through the completion of the 90 day period



following HITN/DLS's receipt of written notice from the Party Canceling of its intent to terminate this Agreement, whichever is later. The Party Canceling shall be responsible for any penalties or retroactive billing fees incurred by HITN/DLS for services provided by Telephone Companies or other telecommunications companies caused by early termination of this Agreement.

12. Following completion of the Term, this Agreement will continue in effect on a month-to-month basis until such time as either party provides the other party with advance written notice of intent to terminate this Agreement. Such notice shall be provided at least 90 days prior to the effective termination date.
13. Payment is due upon receipt of invoice. Accounts are in default if payment is not received within 30 days after date of invoice. If payment is returned to HITN/DLS unpaid, PRCSL or the School or Library is immediately in default and subject to a returned check charge of \$30.00 from HITN/DLS. Accounts unpaid 60 days after date of invoice may have their service interrupted. Such interruption does not relieve PRCSL or the School or Library from the obligation to pay the monthly account charge. Only a written request to terminate Services relieves PRCSL or the School or Library from the obligation to pay subsequent monthly account charges subject to notice requirements contained in the Paragraph 11 of the Terms and Conditions. Accounts in default are subject to an interest charge of 1.5% per month or the legal maximum allowable rate in Puerto Rico, whichever is less. If PRCSL or the School or Library is in default, they agree to pay HITN/DLS its reasonable expenses, including attorney and collection agency fees incurred in enforcing its rights under these terms and conditions.
14. The nonrecurring and recurring fees for the Services and Equipment provided under this Agreement are contained in Schedule A.
15. At any time prior to the execution of this Agreement, HITN/DLS at its sole discretion and expense, reserves the right to have a credit check performed on PRCSL or any of the Schools or Libraries to determine financial status. Should HITN/DLS determine that the financial status of PRCSL or any of the Schools or Libraries does not comply with those requirements then in effect by HITN/DLS relative to the financial acceptability of a potential customer, HITN/DLS reserves the right to




terminate this Agreement immediately and it shall be as though this Agreement was never entered into by the parties.

16. This Agreement may be modified or changed only by written Amendment signed by both parties.
17. This Agreement shall be effective upon execution of the Agreement by PRCSL and HITN/DLS.
18. This Agreement shall be governed and construed in accordance with the laws of the State of Maryland, but not including the choice of law rules thereof.
19. PRCSL and the Schools and Libraries hereby irrevocably consent to the Jurisdiction of the courts located in Montgomery County, Maryland, for any suit brought or action commenced in connection with this Agreement, and agrees not to contest venue or jurisdiction in any such courts.
20. All notices, requests, demands, and other communications required under the provisions of this Agreement shall be in writing (including facsimile transmissions) and shall be sent by hand, registered or certified mail return receipt requested, by overnight courier service maintaining records of receipt, or by facsimile transmission with confirmation in writing mailed first-class, in all cases with charges pre-paid. All notices shall be addressed as follows:

If to PRCSL or the Schools and Libraries:

Puerto Rico Consortium of Schools
and Libraries
Attention: Dr. Moises Velazquez
P.O. Box 1629
Mayaguez, PR 00681
Telecopy: (787) 265-4044



If to HITN/DLS:

HITN
Attention: Jose Rodriguez
449 Broadway, 3rd Floor
New York, NY 10013
Telecopy: (212) 966-5725

21. The Schedules attached to this Agreement are an integral part hereof, and are hereby made a part of this Agreement.

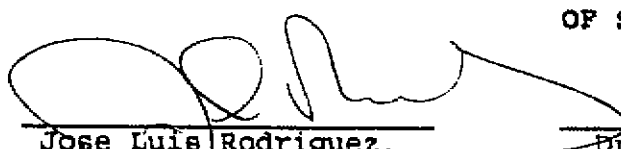
22. This Agreement, the Schedules attached hereto and other documents, agreements, and amendments executed by the parties contemporaneously herewith or subsequent hereto constitute the entire agreement of the parties and supersede all prior understandings and agreements, written or oral, between the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this MASTER SERVICES AGREEMENT by their duly authorized representatives:

ACCEPTED BY:

HITN/DLS

PUERTO RICO CONSORTIUM
OF SCHOOLS AND LIBRARIES



Jose Luis Rodriguez,
President, HITN

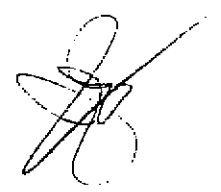
Dr. Moises Velazquez,
Representative of the
Consortium

DATED: January 24, 1998

DATED: _____

Robert Kelly,
DLS

DATED: _____



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Jose Luis Rodriguez,
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Dr. Moises Velazquez,
Representative of the
Consortium

DATED: _____

DATED: _____

Robert Kelly,
DLS

DATED: 1/29/98

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DATED: 1/29/98

Robert Kelly,
DLS

DATED: _____